

JOINT USI – F E S SEMINAR 2002



ESTABLISHED 1870

SECURITY ENVIRONMENT IN SOUTHERN ASIA

PROCEEDINGS OF JOINT USI - FES SEMINAR

HELD AT

USI, NEW DELHI

ON

19-20 FEBRUARY 2002

First Session

*Regional Security Perspectives in
the First Quarter of 21st Century*

— Chairman
Lt Gen Satish Nambiar, PVSM, AVSM, VrC (Retd)
Director USI

Second Session

*Weapons of Mass Destruction,
Missiles, NMD/TMD and
International Security*

— Chairman
Maj Gen D Banerjee, AVSM (Retd)
Executive Director, Regional Centre for Strategic
Studies, Colombo, Sri Lanka

Third Session

*Economic Cooperation in South
and South East Asia*

— Chairman
Dr VLB Mendis
Director General, Bandaranaike International
Diplomatic Training Institute, Sri Lanka

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UNITED SERVICE INSTITUTION OF INDIA
Rao Tula Ram Marg, Vasant Vihar, New Delhi-110 057

Published by
UNITED SERVICE INSTITUTION OF INDIA ©
New Delhi, 2002

Deputy Director and Editor :

Major General Y K Gera (Retd)

Copies of this publication may be obtained from the Publication Officer,
USI, Rao Tula Ram Marg (Opposite Signals Enclave), Post Box No. 8
Vasant Vihar PO, New Delhi - 110 057
Price : Rs. 100.00

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USI Participants

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Lieutenant General Satish Nambiar, PVSM, AVSM, VrC (Retd) was commissioned as an infantry officer in the Indian Army in December 1957. He has seen active service in Jammu and Kashmir, participated in counter insurgency operations in the North East and in the 1965 and 1971 Indo-Pak Wars. He has commanded two battalions of the Maratha Light Infantry, raised and commanded a mechanised brigade, and later a mechanised division. A graduate of the Australian Staff College, he served with an Indian Army training team in Iraq, and as Military Advisor at the Indian High Commission in London. He was the Director General Military Operations at Army Headquarters, New Delhi. He was deputed as the first Force Commander and Head of Mission of the United Nations forces in the former Yugoslavia from 1992 to 1993. He retired as the Deputy Chief of the Army Staff on 31 August 1994. Currently, he is the Director of the United Service Institution of India (USI).

Lieutenant General B S Malik, PVSM, AVSM (Retd) is the former Chief of Staff,

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Ms Arundhati Ghose, IFS (Retd), is a retired Foreign Service officer. Among her numerous postings, she has also been the Ambassador to the Republic of Korea, Permanent Representative to the UNESCO in Paris, Ambassador of India in Egypt, and Permanent Representative of India to the UN offices in Geneva and the Conference on Disarmament - UN Headquarters. At present she is member of the Union Public Service Commission. She is also Senior Associate at National Institute of Advanced Studies, Bangalore; and Chairman, UN Secretary General's Advisory Board on Disarmament.

Mr Sanjaya Baru, is the Editor of *Financial Express*, India. He has been a Member of the National Security Advisory Board. He has also been a Member of Board of Trade, Ministry of Commerce; India-CSCAP Committee, Ministry of External Affairs; and the National Commission on Social and Economic Welfare, Ministry of Finance.

USI – FES Seminar

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Mr Manfred Haack is Resident Representative in New Delhi of Friedrich Ebert Stiftung, **Germany**.

Mr Heidar Ali Balouji is Research Fellow, Legal and International Studies Center, Institute for Political and International Studies, **Iran**. He has been a part of the Iranian National Authority for Chemical Weapons Convention; a Defence Consultant in Iranian Expedition Council. He has carried out a project on International Regimes for Control of Weapons of Mass Destruction: Evaluation of Iran's Positions and Actions.

Mr C K Lal is Executive Committee Member of Nepal Council of World Affairs, **Nepal**.

Major General D Banerjee, AVSM (Retd) is the Executive Director of Regional Centre for Strategic Studies, **Sri Lanka**.

Dr V L B Mendis is the Director General of Bandaranaike International Diplomatic Training Institute, **Sri Lanka**. He has been the High Commissioner to Canada and the UK and has been the Ambassador to France. He was the Secretary General for the Non Aligned Summit at Colombo in 1976; Sri Lanka's Permanent Representative to UNESCO and later UNESCO's Permanent Representative to Egypt. He holds two Sri Lankan National honours - the "Vishwa Prasadani" and its highest National honour, the "Deshamanya".

APPROACH PAPER

Introduction

The Southern Asian region has a critical strategic significance for all the major powers given its distinctive characteristics in the post-Cold War world which range from hydrocarbon resources to Weapons of Mass Destruction (WMD) capability to the emerging politico-military salience of individual states within the region.

Security Determinants

The term security was defined in an exclusive manner during the Cold War, with emphasis on the military dimension. In the post-Cold War era, security encompasses the diverse strands of political, economic and military capability with greater focus on the economic dimension within the ambit of increasing globalisation and the free-market economy. However, mere economic indicators are inadequate. A nation must harmonise its political and military capabilities with the emerging global consensus and further broaden the spectrum by including the societal, the technological and the environmental aspects.

Military Aspects

The military capability spans an extended bandwidth that moves from the macro military end, namely Weapons of Mass Destruction through conventional weapons capability to the more current dimensions of security, viz, fundamentalism, terrorism, narcotics, proliferation of light weapons and demographic shifts. The transition from the macro to the micro is effected through the traditional edifice of the

military infrastructure in terms of hardware capabilities and the relevance of the military as an institution to the social fabric and the political culture.

Weapons of Mass Destruction (WMD)

The WMD relationship predicated on Mutual Assured Destruction which prevailed during the Cold War, is now buried along with the former USSR. However, the salience of the nuclear weapon and the missile it is lashed on to, have not lost their lustre. Weapons of Mass Destruction continue to be the currency of power in the international arena. The nuclear weapon cannot be divorced from the delivery system - the long range missile - and it may be argued that WMD profile that includes the weapon and the delivery system constitutes a major determinant of the macro military capability that is relevant to Southern Asia. There are only a certain number of states that have proven weapon capability either within the Non-Proliferation Treaty framework or outside of it. These include the USA, Russia, China, France and the UK. They are the permanent members of the UN Security Council, and are the acknowledged five Nuclear Weapon States (NWS). India, Pakistan and Israel are the de facto States with Nuclear Weapons (SNWs). The next category is that of the aspirants as per the current profile and intent and include Iraq, Iran, North Korea and Libya.

National Missile Defence (NMD) / Theatre Missile Defence (TMD)

In Southern Asia, what is relevant is

the degree to which five NWS, three SNW and four aspirant nuclear states relate to the region directly by geographic location or in terms of strategic interface. The levels of WMD interaction is discernible at different discrete levels on the one hand and in a complex and interrelated manner at another. For instance the US intent to pursue the NMD programme will evoke protests from both Moscow and Beijing which will impact upon the nature of the relationship between the three autonomous WMD powers, ie, the USA, Russia and China. This turbulence will have a linear impact upon the Southern Asian region in terms of how China responds. A hypothetical scenario is that if the US pushes ahead with the NMD and enhances its own strategic posture, thereby degrading the deterrence mutuality that now exists among the three major players, then Beijing may well respond by increasing both the quantity and quality of its WMD arsenal. What impact will the improved Chinese WMD capability have on the countries of the region and their posture ?

The Strategic Defence Initiative, the progenitor of the NMD/TMD initiative, was conceived by the Reagan and Bush (Sr) administrations partly with a view to forcing the USSR into a prohibitively expensive arms race and, thereby, damaging its economy. Is the NMD/TMD initiative meant to similarly force China into a costly arms race in order to weaken its economic strength, prevent its graduation into a formidable economic competitor to the US and set in motion the till now contained centrifugal political forces of China in the hope of thereby pre-empting its emergence as a strategic equal to the US in the Asia-Pacific region ? China thinks so, but the US strongly denies any anti-Chinese motivation. It says it looks upon

China as a benign and not a malign competitor. Statements on the NMD/TMD initiative issued by China contain one message, namely : to China, its national security is sacrosanct. It would not allow it to be weakened whatever be the cost. Perhaps there is a need to generate a debate, monitor developments and help in directing decisions in the right direction in the interest of international security.

International Terrorism

The hi-jacking of aircraft and bombing of twin towers at the World Trade Centre in New York and the Pentagon in Washington by international terrorists on 11 September 2001 has brought into sharp focus the extent to which the scourge of terrorism has spread globally. A number of innocent lives have been lost besides damage to institutional infrastructures and tremendous economic burden. Based on media reports, the finger of suspicion points towards Osama-Bin Laden's set up, dominated by Saudis, Yemenis and Egyptians with a smaller number of Algerians, Tunisians, Libyans, Syrians, Jordanians, Palestinians and Iraqis. Osama Bin Laden is the leader of the 'International Islamic Front for Jihad against the USA and Israel'. As per media reports, the Front comprises 12 Jehadi organisations - three of Egypt, three of Pakistan, two of Uzbekistan, one of Xinjiang province of China, one of Southern Philippines, Al Qaeda of Bin Laden and Taliban in Afghanistan. Of the 12 Jehadi organisations of the Front, nine are banned in their countries of origin. However, two organisations of Pakistan, and the Taliban of Afghanistan are free from legal curbs. The epicentre of this 'International Terrorist Network' lies in Pakistan - Afghanistan in Southern Asia. A multilateral campaign led by the USA is being set in

Approach Paper

motions. The International Terrorist Networks and their epicentres are likely to be the targets. Thus a period of turmoil can be forecast. However, there is a need for international community to join hands, work out norms and fight the scourge of terrorism with grit and determination and ensure safety and security of innocent people. In the meantime, the UN Security Council adopted a comprehensive anti-terrorism resolution on 28 September 2001, which authorises use of force against terrorists and their political and military supporters. Invoking Chapter VII of the UN Charter the resolution 1373 makes it mandatory on all 189 member states to crack down on financing, training and movement of terrorists.

Economic Cooperation

Southern Asia is a region of considerable diversity in terms of the characteristics of the constituent states and their civil society. They grapple with the forces of modernity and the overwhelming surge of globalisation and the free market have had their impact in the form of heightened anxieties and related insecurity.

Economic might of a nation has become a key factor. Negative economic fallouts, whether self inflicted through scams or imposed through trade regimes, can cause more havoc than a bloody war. In Southern Asia by and large we tend to emphasise the military dimensions of security, but perhaps do not give adequate thought to security in terms of economic strength, self sufficiency in food, water and energy and ecological sustainability. Another facet of security is demographic movement of people across borders. With cooperation amongst countries of the region a lot can be achieved through trade and commerce, scientific and technical modernisation, infrastructural development,

proper use of resources and opportunities, for ensuring better quality of life and well-being of the people.

Universal Security Norms

The problems of security need to be analysed in an objective, clinical and empirical manner, without imposing any preconceptions. The endeavours should be to work towards common universal security norms, which should focus on some of the following aspects :-

- (a) The principle of equal security among nations regardless of whether countries are big or small.
- (b) The desirability for the World to move towards a multipolar, polycentric and a more democratic international relations structure.
- (c) On the economic side, there is need for a level playing field and rational international economic relations, including globalisation.
- (d) Trans-border or cross-border terrorism concerns a large number of countries. There is a need to identify the measures to be adopted by the international community in tackling this problem.
- (e) The need to guard against environmental degradation.
- (f) There is a need for co-operation, integration and a better security understanding in the Southern Asian region. The emphasis should be on stable environment, not the status quo, to enable all the countries in the region to develop in conditions of peace and security.

USI – FES Seminar

Seminar Scheme

To examine the above issues in depth, a two-day Seminar is proposed to be held at the USI on Tuesday, 19 February and Wednesday, 20 February 2002, in three sessions, two on the first day and one on the second. The proposed sessions are as under :-

(a) Session I Regional Security
Perspectives in the first

quarter of the 21st
Century.

(b) Session II Weapons of Mass
Destruction, Missiles,
NMD/TMD and
International Security.

(c) Session III Economic Cooperation
in South and South East
Asia.

WELCOME ADDRESS

LIEUTENANT GENERAL SATISH NAMBIAR, PVSM, AVSM, VrC (RETD)
DIRECTOR USI

INAUGURAL ADDRESS

LIEUTENANT GENERAL PS JOSHI, PVSM, AVSM, VSM
CHIEF OF INTEGRATED DEFENCE STAFF TO THE
CHAIRMAN CHIEFS OF STAFF COMMITTEE

WELCOME ADDRESS

LIEUTENANT GENERAL SATISH NAMBIAR, PVSM, AVSM, VrC (RETD)

DIRECTOR USI

On behalf of the United Service Institution of India I welcome you all to what is a unique event for the institution. In the past we have conducted joint events with representatives from other countries on a bilateral basis. Just a couple of months back we hosted a delegation from National Centre for Middle East Studies (NCMES) Cairo; last year we had one delegation from the China Institute of International Strategic Studies. A few weeks back we had an Indo-UK Seminar in the Institute. In addition to that we have had a number of visits and delegations. This is the first time the USI has put together a Seminar with multilateral content. We have today with us some very distinguished representatives from Institutions and Think Tanks from Bangladesh, Peoples Republic of China, Iran, Nepal and Sri Lanka. Unfortunately, the Pakistanis could not make it. This is regretful, as Dr Pervaiz Iqbal Cheema, the President of Islamabad Policy Research Institute, had organised a Seminar to be held in Pakistan on 23 and 24 January 2002, to which I had been invited. I accepted it. The event was cancelled due to the present environment of relations between the two countries. Notwithstanding what the relations between the two countries are, some unofficial contacts do need to be maintained. However, it is a great pleasure to particularly welcome those participants present here for what I think promises to be a most useful set of discussions. All this has been made possible by the Friedrich Ebert Stiftung (FES) whose resident representative in Delhi Mr Manfred Haack and his

colleague, Mr Rajeshwar Dayal have been the prime movers. When this initiative was mooted, I was inclined to accept it and I had the support of the Executive Committee of the USI. They have also generously provided the resources to enable participation by our galaxy of visitors from the neighbourhood. The first session entails the 'Regional Security Perspective in the First Quarter of the 21st Century'; the second session is on 'Weapons of Mass Destruction, Missiles, NMD/TMD and International Security'. The Third Session is on 'Economic Cooperation in South and South East Asia'.

I am grateful to my colleagues from India also for spontaneity of their response. We look forward to a very rewarding experience. I would like to express my gratitude to Lieutenant General Pankaj Joshi, a battle hardened soldier, for agreeing to deliver the inaugural address. He is an outstanding symbol of indomitable courage and resilience of human spirit. Despite losing both his feet in an operational situation, he has reached the pinnacle of the noble profession of arms. Today he is the Chief of the Integrated Defence Staff to the Chairman Chiefs of Staff Committee, by sheer determination, perseverance and sustained hard work. In that capacity and more importantly as the President of the USI Council, he shall deliver the inaugural address.

Before that I would like the resident representative of the FES, Mr Manfred Haack, to say a few words.

INTRODUCTORY REMARKS

MR MANFRED HAACK

RESIDENT REPRESENTATIVE, FES

Thank you very much for the hospitality extended to us. Ours is an international NGO based in Germany. We uphold the free political values of peace, democracy and social justice. Our objectives are derived from these values. We try to look at the background of conflicts and try to find how they can be solved peacefully. We support underprivileged groups and try to strengthen their capability to join the mainstream. The security environment of South Asia could cause immense consternation in the minds of people for instance coming from Germany. It may be perceived as dangerous by them. This area has some important but disputed resources, and territories. Through the Indian Ocean go some of the important trade routes. Present here are five of the eight nuclear powers and the entire area is clouded in conflicts. What is disturbing is the lack of a system of collective security except the likes of Asian Regional Forum (ARF) which is the first body to cover almost all Asian countries in a way that some security issues are discussed on the multilateral level.

I would like to put forth what the Europeans could contribute to a growing discussion on intelligent measures to solve conflicts. Since the last five decades, we have in Europe, a system of collective security. During the Cold War, the NATO system was exclusively to provide security for member states. The East-West conflict was balanced in a way despite the inherent political hostility, because security was well observed by a system of connections, agreements and so on. Such intelligent

systems of collective security without levelling the political conflicts curbed Cold War.

The military deployments that took place as a showdown between India and Pakistan point to a situation of fighting a 21st Century conflict the 20th Century way. This is reminiscent of a similar situation in the Second World War. The new threat is manifest in terrorism. This is more sophisticated. What is terrorism and what are its sources? To what extent are we threatened by it? It is not exactly visible; the Al Qaeda network of Bin Laden proves the hidden dangers that can rightly be termed terrorism. It has hidden threats. The task at hand is to face this danger by developing a system to fight this menace at its roots.

The other matter of concern is the emerging phenomenon of global crime. Drug trafficking, money laundering, gun smuggling, and the most profitable branch of this international criminal network, the trade of asylum seekers, are sources of danger that can turn violent very fast. There is no international concept to deal with these. Piracy between Europe and the Strait of Malacca, separation, religious conflicts and racism, which is a source of violence, are all elements that are distinct from the old concept of 'war', where two nations have heavy deployment of armed forces and fight each other. This is a feature that is rampant in South Asia.

Due to the absence of network of collective security, there emerges a trend to adopt a unilateralistic attitude and policy.

Security Environment in Southern Asia

China, which had initially donned this attitude, has changed to a remarkable extent. It seems to be slower in the case of India and some other smaller countries in South Asia. They prefer unilateralistic action to what we term national or regional mediation. One of the disadvantages of unilateralism is that all elements of conflict resolution are lacking. A country that follows this policy is unable to communicate the problems of a conflict. It tends to be isolationist. A bigger country like India will not realise the concerns of the smaller countries. The United States which has had a policy of its own for decades, is in danger of losing reality. They end up believing their own perceptions of global problems as being the right one. There is a lack of synergy and partnerships to deal with solutions.

There are advantages in collective security. We expect from those present here, representing the various countries, to think about the worth of the future solutions. An advantage of the multilateral structure is that there are institutions that provide communications before an action is taken. Immediate action or reaction is not possible. An element of communication, mediation, negotiation must be used. Multilateral tendencies would be an institutionalisation

of peaceful communication before the outbreak of a conflict. Confidence Building Measures (CBMs) are effective only in such multilateral systems. It has to be both sided and hence needs the environment of multilateral organisations.

Among the politicians in Asia, something that is not well recognised is that in the 21st Century, a conflict situation, where one is the winner and the other a loser, is no longer there. Losers in a globalised world will always have some replacement. If they lose in a battlefield, they may resort to terrorism, if they lose a heavy conflict, they will try and join suspicious allies. They will find other opportunities to overcome defeat. Hence you may win a current showdown but cannot win peace. A military victory does not necessarily mean peace. This is the dilemma of Palestine. This is a place where heavily armed military state tries to fight people who principally fight in defence of their soil. The state using the military option must think of what advantages could accrue from the weaker side if there is a conflict solution. This is the win-win strategy. If one were to enter a conflict, one has to first think of the advantages of the enemy if one were to come to a conflict solution. This is a peaceful exit strategy.

INAUGURAL ADDRESS

LIEUTENANT GENERAL P S JOSHI, PVSM, AVSM, VSM

CHIEF OF INTEGRATED DEFENCE STAFF TO THE CHAIRMAN CHIEFS OF STAFF COMMITTEE

The tumultuous events, post 11 September 2001 attacks on the World Trade Centre and the Pentagon, and 13 December 2001 attack on the Indian Parliament have had profound effect on the security environment of South Asia. Global strategic focus, which had shifted away from this region with the defeat of the Soviet forces in Afghanistan, has once again reverted to the South Asian region. The coordinates of US military presence today have moved East of the Persian Gulf to Central Asian Republics (CAR) and Afghanistan-Pakistan areas as it continues its fight against terrorism. While this may suit immediate US interests, it is nevertheless impacting on the regional security environment. I am sure the Seminar will address itself to the multitude of challenges posed by this paradigm shift and its regional and global geopolitical and geo economic consequences. I would, however, like to spend some time in alluding to some of these challenges.

International Security Environment

A few fundamentals have to be taken account of :-

(a) In the intrusive international system, the US will continue to be the pre-eminent world power. It will shape and structure its foreign, economic and military policies in support of its perceived national interests.

(b) The European Union (EU), Japan, and China are strong economic powers with regional military capabilities at best. Given their congruity of economic interest with the US, both EU and Japan have little choice but to support

the US interests. Russia has the military capacity but lacks the supporting economic muscle to pose any serious challenge to the US or Western coalition interests.

(c) Convergence of interests between Russia and China is more issue specific i.e. economic and Central Asia – a turf issue so to say, without any ideological under-pinning that can seriously challenge the US supremacy, however much be they may be wary of her.

(d) The concept of total war is at best passe, for two reasons. For one, in the interdependent world, regional instability affects extra regional or global peace and stability. Secondly, and more importantly, in the globalised world distinction between national and international security is getting increasingly blurred.

(e) National security per se is getting increasingly marginalised and subordinated to larger international and humanitarian interests. Thus we see wars and interventions of conscience in Africa, Serbia, Bosnia and now Afghanistan and Philippines. These could take place in Iraq, Iran, Malaysia, Indonesia or anywhere else too.

(f) There is a discernible shift from narrow military issues, except for the legacy of Indo-Pak relations, to peace, stability, democratisation, poverty alleviation, economic growth, demographic pressures, illiteracy, ethnonationalism and religious extremism and fundamentalism.

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(g) We are likely to witness a rising trend of unconventional and asymmetrical threats, which include both non-state and state actors (more as supporters and catalyst) in spite of events in Afghanistan and elsewhere.

(h) Two developments are likely to have profound effect on international security as far as nuclear issues are concerned :-

(i) The destabilising effect of National Missile Defence should the US succeed in developing and operationalising an effective missile defence system. This is likely to have a cascading effect on nuclear weapon programmes of the nuclear five and a possible missile race. This will also adversely affect global non-proliferation efforts.

(ii) Second, and more important in the near future, is the real threat of terrorism with use of weapons of mass destruction. Revelations of connivance between Al Qaeda terrorist group and the Pakistani atomic establishment's scientists positively indicate the heightened efforts being made by terrorist groups to acquire weapons of mass destruction.

Global and Regional Impact of American War Against Terrorism

The seminar no doubt will debate the regional and extra regional fundamental effects of the aforementioned global events, and their short, mid and long term ramifications on regional balance of power. However, I will take the opportunity to allude

to a few aspects, which in my view mark a crucial shift in the international security scenario :-

(a) First and foremost, while the impact of the 11 September 2001 attacks were felt in the US, its epicentre, due to multiple reasons, was in the South Asian Region – to be specific, in the Afghanistan-Pakistan territory. While the underlying imperatives, logic and rational circumstances, will no doubt be debated, the fundamental issue is that the region has once again been sucked into the vortex of international fight against terrorism and a super power's play.

(b) Second, I do not see an early end to the US initiated War against terrorism. On the contrary, the circle is likely to get wider, with more areas in the region getting engulfed. This is likely to further exacerbate many a regional conflict and consequent instability.

If one were to look at the situation in Afghanistan, the focus of post Taliban US strategy appears to be the denial of sanctuaries and secure bases to Al Qaeda and Taliban cadres to train, recover and re-operationalise their cells. It is anybody's guess whether the US would succeed, particularly in the face of discord between the Northern Alliance and the Pashtun cadres, and the paucity of interest among domestic Afghan forces to help the US, now that their immediate aim of substantial destruction of Taliban and Al Qaeda network is accomplished.

If one were to assess and hypothesise on the shape of future Afghan security

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system, the following scenarios could emerge:-

- (a) A national army under the central federal government as and when formed.
- (b) Warlords allowed to have their own army for their respective areas of jurisdiction.
- (c) Warlords permitted to have army of predetermined strength, say a brigade plus over a defined area of jurisdiction.
- (d) A combination of a and c above.

The main issue here is can this be achieved given the fractious nature of Afghans, and competing tribal loyalties? Also, do the interests of the Coalition Forces and the US converge? What about the disruptive role of outside players who may see in this arrangement an attempt to curb their influence in the region? I am sure this seminar will address these questions.

As the US spreads its war against terrorism, it will need base and logistic facilities. These will largely come from coalition arrangements that are now being worked out in Central Asia, Indonesia, Philippines and West Asia. These will have profound impact on regional security environment. The seminar must address this aspect and recommend policy options for consequence management. The current situation and its implications are as under :-

- (a) Terrorist training camps in Afghanistan have been destroyed.
- (b) Some of the Al Qaeda and Taliban members have been killed and the organisation destroyed. What is disconcerting is that fairly large numbers have escaped or have

managed to take shelter in Northern and Southern Afghanistan or even Pakistan.

(c) Al Qaeda leadership by and large remains intact. Even though large number of their cells and supporting communication channels have been destroyed. Question is, what is their residual capability to carry out terrorist strikes against international interests, in particular India?

(d) In the next phase, the focus is likely to be on the capture or destruction of terrorist leadership and their allies together with infrastructure, particularly their cells in Muslim nations of South East Asia.

(e) In so far as Pakistan is concerned, time will be given to effectively deal with religious fundamentalists and organisations supporting terrorism. Should the internal contradictions prevent concerted action, intervention by the US cannot be ruled out.

(f) Similarly, supporting means will be attacked and neutralised, particularly money laundering, under-cover cells, communication infrastructure and attempts at acquiring weapons of mass destruction.

All this requires time and dedicated, concerted, unrelenting perseverance and coalition support. In the short term, congruity of interests between Russia, China and the USA would be discernible. However, China and Russia appear to be most worried about the long term consequences of the US presence in the region. Further, the presence of the US in the region will mean continued pressure on Pakistan to deal with Jehadi and fundamentalist elements, together with

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espousing the four all-embracing ideals – democracy, social justice, religious tolerance and internal reforms. For India it will mean pressure to adopt a somewhat more transparent and pro-active Kashmir policy and to find an internalised situation to this endemic long standing problem.

With the ever increasing energy demands, West Asia and Central Asia are likely to witness conflict over control of energy resources. Recent developments indicate short-term compromise between Russia and the US over oil pipelines but in the long run differences will arise due to competing interests.

Political demoralisation within the Arab world, waning influence of the Organisation of Petroleum Exporting Countries (OPEC), and the trauma of Palestine and ineffectiveness of the Organisation of the Islamic Conference (OIC), variously combined to create a sense of despair in the Islamic world. Radical Islam was posed as the antidote to decline and pathway to resurgence. With America's Islamic-centred war against terrorism, Islamic and Arab world are getting increasingly isolated and vulnerable on the issue of Islamic radicalism. The US-led 'Christian' West is more

aggressively feeling obliged to eradicate radical Islamists as a source of what it believes to be the fountainhead of terrorism. The stage is being set for a classic clash of civilisations.

This pre-eminence of the US is likely to unleash regional and international realignments over mid to long term to check its growing influence. These could emerge in terms of geo-economic or geo-political blocs. An instance of this could be the possible Russia-China-India axis.

The impact of global recession and the security consequences of the 11 September 2001 attacks are affecting the economies of the Asian region and can lead to trade and other wars with grave regional consequences for declining economies like those of Indonesia, Philippines, and others.

The growing Chinese economic and military clout is likely to lead to adversarial relationship over economic and political spheres of influence both regionally and with the US. Regionally, its close co-operative and strategic relationship with Pakistan and congruity of strategic interests will result in increasing pressure on India in terms of policy formulation and consequence management.

REGIONAL SECURITY PERSPECTIVES IN THE FIRST QUARTER OF 21ST CENTURY

FIRST SESSION

Chairman : Lieutenant General Satish Nambiar, PVSM, AVSM, VrC (Retd)

First Paper : Lieutenant General BS Malik, PVSM, AVSM (Retd)

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FIRST SESSION : FIRST PAPER
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Introduction

There are possibly five dominant determinants that would shape the security perspectives during the first quarter of the Twenty First Century in the South Asian region. These are, impact of globalisation, nuclearisation, science and technology, human resources and natural resources including environment. Post 11 September 2001, events of great significance in the region have already changed some of the established equations and affected security perceptions in the region. Some might say that these events have laid down the rough contours of the security road map for South Asia. This, however, may be argued since the five security determinants mentioned above are of more permanent nature than any transient effect of events.

During Cold War, whenever far-reaching changes were mentioned in international affairs, it was common to point towards the bright horizon identified with the Twenty First Century. Globalisation, as a product of the socioeconomic churning during the last century, was considered the ultimate vehicle of change transforming the way we conduct our business. The belief was that it would spur us towards compromise and accommodation due to interdependence. This belief was supported by some encouraging empirical evidence like registration of a remarkable three fold increase in the international treaties between 1970 and 1997 and increase in the number of international institutions by two-thirds from 1985 to 1999, as reported by a GT-2015 study.¹

However it may be argued, with some justification, that in matters military the world was already globalised by the middle of the last century. The geographic limits were first crossed by the soldiers, who fought the two World Wars in various parts of the world, far away from not only their countries, but also their respective regions. Then came the intercontinental ballistic missiles that could reach any part of the world overcoming geographical barriers and boundaries. All this happened much before globalisation was made fashionable by the multinationals. The push for all this came from the tremendous boost in science and technology, the veritable engine of globalisation.

Curiously the military force aided and abetted by science and technology pushed violence to its utmost bounds, as Clausewitz had said. The war became total, which required total mobilisation of the people, to provide political, economic and ideological support to it. It presupposed, of course, the increasing involvement of the people thus establishing the linear model of society-war-society. Military force outgrew its utility and instead of protecting society it came to threaten it.²

The South Asian Region

Since there can be many interpretations of this region, in view of the recent events it would probably be right to discuss what constitutes South Asian region. The geographical limits of the South Asian region, in strategic terms, are much further afar than what constitutes 'South Asia'. If we accept the analogy that nature abhors vacuum,

power does so more ardently. It follows therefrom that to determine the boundaries of this region we must move outwards till resistance is met from the area of influence of stronger power centres or alliances around it. Applying this construct, the South Asian region would seem to extend well beyond the boundaries of the old undivided India to Iran in the West, Afghanistan and the Central Asian Republics and China in the North West and the North, Myanmar in the East, rounding up with the countries nearer India in the Indian Ocean. Before some of us get disturbed by these dimensions, let us recall how India's External Affairs Minister, Mr Jaswant Singh, described India in the context of its geographic South Asian location "How many people know that Indonesia is only 65 miles from the southernmost Indian island? Or that but for Pakistan Occupied Kashmir (POK), Tajikistan is just 27 miles from India. That we had a border with Iran in 1947? Or that legal tender of Kuwait till 1938 was the rupee?"³ Rear Admiral Raja Menon says "although the US does not contribute to a strategy of containing China, nor into roping India into a strategic partnership, the US concedes that India's strategic horizon must include China and Central Asia."⁴

There are some who would not like to include Myanmar despite the fact that India has a 1643 km long international border with Myanmar and that most of the terrorist and insurgent groups operating in the North Eastern region have often been reported to have taken sanctuary in Myanmar. China, of course, has been taking active interest in Myanmar for quite some time. It is vital to note that between 14 and 21 November 2001, an important delegation from Myanmar led by HE General Mating Aye, the Vice Chairman of the State Peace and

Development Council (SPDC), had wide ranging discussions with the Indian government on many issues including regional cooperation within the framework of (Bhutan, India, Myanmar, Sri Lanka, Thailand - Economic Cooperation) BIMST-EC, of which both countries are members, as also under the aegis of Indian-ASEAN dialogue partnership.⁵ India has now decided to reopen the consulate in Mandalay, apart from the existing embassy at Yangon.⁶

The second factor we need to consider is the peculiar treaty arrangements in the region guided by real politik, in that Iran has not been accepted as a member of the Gulf Cooperation Council (GCC) for long and that 'Shanghai Five' similarly did not accept Pakistan amongst its fold due to opposition from Tajikistan. Kazakhstan and Kirghizstan also took a negative stance towards Pakistan. Actually interest in 'Shanghai Five' has also been shown by Iran and India.⁷ Both Iran and Pakistan on the other hand consider their membership of the Economic Cooperation Organisation (ECO)⁸ very important. It started as a tripartite agreement between Iran, Pakistan and Turkey in 1964 and later expanded to include all the seven Central Asian Republics. Meeting regularly since its inception at the 1998 meeting in Kazakhstan a "Transit Transport Framework MoU" was signed amongst the members significantly to "help counter cross border trafficking of illegal goods". This possibly could explain the reluctance to expand "Shanghai Five" grouping which has moved towards common security concerns since the Dushanbe meet in 2000 where it was decided to "pool efforts to counter national separatism, political and religious extremism, international terrorism, illicit trafficking, arms running and illegal migration".

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If we consider the mosaic of countries in the region from the point of view of geographic location, economic capabilities, religious and cultural history angle we could conclude that this region has traditionally been the laboratory of multicultural and multiethnic existence. As in fact it was, with some exceptions, under the British. Removal of the paramount single power has had the same effect on the region as the end of Cold War on the world. That is why people in the region are linked across the international boundaries, through common history, language, food, family ties, customs and culture. It is possibly the only region of the world where the people to people relations have remained unaffected by the official roller coaster ride of regional diplomacy. Morris Jones, however, described South Asia as, a "fractured region of fractured states, an enticing world of little cohesion".⁹ Migration is common, which has its own security implications and has given rise to peculiar problems, like presence of many stateless people in some countries.

It is not that the region lacks an ability to make peace mechanisms. Agreements have been signed between India and Bangladesh, Bhutan, Nepal and Pakistan on river waters and dams that have held on through thick and thin. In fact there are 13 Confidence Building Measures (CBMs) in place commencing since 1951, in areas like communication (6), transparency (4), consultation (2) and goodwill measures (1) between India and Pakistan.¹⁰ The reason for their not working or not working well, has more to do with the domestic politics of the two countries and much less with the politics of the region. Number 13 being unlucky; we possibly need one more CBM on TRUST to break the jinx.

South Asian Preferential Trade Agreement (SAPTA) was signed in 1995 but

it has not taken off. Intra-SAARC regional trade¹¹ continues to be as low as 3 per cent, as compared to ASEAN 38 per cent or EU 63 per cent. India and Pakistan account for 80 per cent of the GDP of SAARC but their contribution to intra-SAARC trade is as low as 2 per cent each, as compared to 8.5 per cent for Bangladesh, 81.8 per cent for Bhutan, 12.7 per cent for Maldives, 14.9 per cent for Nepal and 6 per cent for Sri Lanka. The loss to the region can be judged but this could change because of the unofficial trade simply becoming too much to handle. The present ratio of the official and unofficial trade between India and Pakistan is 1:5, with greater loss of revenue for Pakistan.

In South Asia, after a long time there was a dialogue this year through the SAARC. The forum has served its purpose, at a very difficult time, by providing a common platform for the countries of the region to air their concerns on the post 11 September 2001 events. The system has served well to bring the countries of the region together to address the new realities. Given the antagonisms that surround the region one could not have expected spectacular breakthroughs. Some of the important issues addressed in the latest SAARC-2002 declaration are; firstly, terrorism is not acceptable whatever the ideological, political or religious justification; secondly, member nations must resolve to suppress terrorist groups and ban fund collection; thirdly, autonomous advocacy group of prominent women to be formed to recommend gender equality measures; fourthly, draft South Asian Free Trade Area (SAFTA) to be ready by end-2002.¹²

Impact of Globalisation

Rapid economic progress by the countries joining the globalisation movement

through liberalisation of their economies, in general and the Western countries in particular has increased the gulf between the haves and the have-nots. Unable to reform the governments of their country, to allow them to take advantage of the sudden opening of the vast opportunities in the liberalised global market, some groups turned their ire on the prosperous and even not so prosperous liberal democracies. Terrorism became their chosen path to take revenge and they proceeded to methodically demolish the whole edifice of civil governance and the societal systems in the world.

Globalisation provided easy access to information and opportunities to travel, bank and transact business. Some nation states in the region and other outside powers saw in terrorism an opportunity to resolve their longstanding ethnic, territorial and political disputes. In the process the terror groups found mentors and sanctuaries. Money earned through drug trafficking, arms peddling and other criminal ventures suddenly gained respectability. Sadly, once the Cold War was over the strategic scenario changed drastically and the liberal nation states had no use for these groups; but the host countries were stuck with them. It is possible now that some nation states could take the example of Algiers and Egypt and fight back these groups. In the changed international scenario there is every chance of them succeeding if they persist sincerely with their efforts.

Economically, India has started benefiting from globalisation as is clear by jump of the (Bombay Stock Exchange) BSE index by 116 points on a single day on 06 January 2002 due to disinvestments.¹³ It clearly confirmed that there is a vast locked potential in the Indian economy that can do much better than the low GDP of 4 per cent

last year or even the projected 5.4 per cent this year. The main push would come from the technology sector allowing India to continue the position of a dominant regional power in 2025. However, we have to see outside SAARC to get a better perspective of this by taking a look at China in the same time frame.

Experts believe China can maintain a growth rate of 7 per cent in the first quarter of the Twenty First Century that could present many possibilities. The GT-2015 study maintains that "China would seek to avoid conflict in the region to promote stable economic growth and to ensure internal stability. A strong China, others assert, would seek to adjust regional power arrangements to its advantage, risking conflict with neighbours and some powers external to the region. A weak China would increase prospects for criminality, narcotics trafficking, illegal migration, WMD proliferation, and widespread instability"¹⁴. It may be argued that the same may hold true for a weak Pakistan in case the intended measure set in motion after the speech of General Pervez Musharraf on 12 January 2002, does not bear fruit.

In support of the above argument it is worth recalling the statement of Mr Sahid Javed Burki who projected some very dismal figures for Pakistan that "the GDP will increase (in the 21st Century) by only a bit more than 3% a year. At this rate of increase, there will be a significant fall in the income of the poor. By the year 2010, Pakistan will have a population ... of some 170 million people of which 80 million may be living below poverty."¹⁵ This need not be true if the reforms set in motion by General Pervez Musharraf achieve the intended results and the governance priorities are changed as hoped.

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These figures are of 22 January 2000 and are predicted based on a low level of investment rate then and the prevalent standards of efficiency. Both have a potential to change.

According to the GT- 2015 study "India will strengthen its role as a regional power, but many uncertainties about the effects of global trends on its society cast doubt on how far India will go. India faces growing extremes between wealth and poverty, a mixed picture with internal governance"¹⁶

However, in all this it would be worth considering the report of Mr Praful Bidwai¹⁷, in which he has quoted an MIT economist Paul Krugan "Enron, not September 11, will come to be seen as the greater turning point in US history". The report says that "Enron flourished on the deregulation of the energy sector, bribed its way to dizzying heights, cooked its books to pump up its image, and yet failed disastrously. Enron was not just No 7 in the *Fortune-500* list, with a turnover equalling almost a third of India's GDP. It became a global 'New Economy' icon, its managers glorified as magicians of the free-market age". The history of globalisation is full of such stories of failed companies, and economies.

There are some interesting scenarios for the future projected as a reaction to globalisation in the GT-2015.¹⁸ China, India and Russia could form a geo-strategic alliance in an attempt to counterbalance the US and Western influence. Major Asian countries could establish an Asian Monetary Fund or less likely an Asian Trade Organisation (ATO) undermining the IMF and the WTO; the US will be able to exercise global economic leadership.

The study further postulates, "The global economy would be prone to periodic financial crises. Increased trade links and integration of global financial markets would quickly transmit turmoil economically, regionally, and internationally. The trend towards free markets to overshoot, would increase the possibility for sudden reversal in sentiment and expose individual countries to brad swings in the global market. Disputes over international economic rules could create problems. A lack of consensus could at times make financial markets skittish and undermine growth."¹⁹

Nuclearisation

On the way to the Twenty First Century, geopolitical situation fashioned covert and overt nuclearisation of South Asia. The fact that this was done despite the overwhelming pressure from the international community, directly and indirectly, proved that the security conditions which obtained in South America and Africa prompting Brazil and South Africa respectively, to end their clandestine nuclear programmes, simply did not exist in South Asia.

According to Therese Delpech, a troubled (South) Asia had resisted America's sense of the new world order. The consequent disappointment was obvious in the statement of former US President Bill Clinton when he said, "I cannot believe we are about to start the 21st century by having Indian subcontinent repeat the worst mistakes of the 20th century when we know that the possession of nuclear weapons is not necessary to peace, to security, to prosperity, to national greatness or national fulfillment."²⁰

China directly or indirectly has the maximum affect on the security calculations

of the region. Since 1964, China has kept a single-minded determination to ensure that its membership of the Security Council is on equal footing. It is argued by some that if China had not taken such a keen interest, as reported, in providing nuclear and ballistic missiles to Pakistan, the South Asian region may not have been nuclearised. Interestingly the rules applied by the West to the reported transfer of anti-ship missiles to Pakistan, Iran and Iraq earlier and in 1998 and the sale of 50 missiles to Saudi Arabia by China appear at best curious.

If we add to all this the suspected export of the ballistic-missile technology to Pakistan from North Korea, we have a heady mix. According to Therese Delpech²¹, Iran claimed that its test in July 1998 of the Sehab 3, a nuclear-capable missile with a range of 1300 Km, was in response to the South Asian tests, and to Pakistan tests of the Ghauri intermediate-range-ballistic missile (IRBM) in April 1998. Not only this but actions like the consequent monetary aid to Pakistan from United Arab Emirates and Saudi Arabia to offset the sanctions imposed by the US in response to the tests can hardly be called conducive to making the South Asian security scenario any better in the first quarter of the Twenty First Century. Therese Delpech²² feels "China has been strangely absent from most Western analyses of the future of nuclear weapons", in the world in general and South Asia in particular.

Therese further says "China has never stated that it would place less emphasis on nuclear weapons now that the Cold War is over. Beijing's diplomatic support for nuclear disarmament has been long standing, but its actual deeds paint a different picture. China is the only one of the five established nuclear powers to have stepped up its nuclear and

ballistic missiles capabilities, while also modernising its conventional forces and drawing the appropriate lessons from the Gulf War as regards new technologies. No slow down has been observed in China's development of two new generations of more advanced, solid-fuel intercontinental ballistic missiles (ICBMs) with multiple warheads".²³

According to Rear Admiral Menon, India's arsenal by year 2030 could consist of six submarines with a minimum of twelve tubes per boat. Depending on the technology achieved by the country in 2020, these missiles could have counter-force accuracies and be Multiple Independently Targetable Re-entry Vehicle (MIRVed). Such force would give India warhead strength of 216 (6 MIRV) in a prelaunch scenario and probably 380 warheads in a scenario with adequate strategic warning and with five boats deployed. Pakistan it is believed would have had 12 x Hatf 4 (M 11) of 20 kt each (Uranium Core) and 12 x Ghauri of 40 kt each (Boosted Fission Plutonium) by 2005. It is with a hope that 12 x 12 kt each and 12 x 5 kt each would be deleted once CBMs are in place. The Chinese arsenal by 2015 is expected to be 36 x DF21 of 2-300 kt each, 40 x DF 31 of 6x 2-300 Kt (MIRV-ICBM), 40 x DF-41 of 8x 2-300 kt (MIRV-ICBM), 48xJL-2, (Marinised DF31) of 6x2-300 kt (SLBM-MIRV), 120 Artillery of 1-5 kt (Neutron), 120x Cruise of 2-300 kt each.²⁴

One result of the nuclear proliferation in the region appears to be that the conflict in the region has permanently reverted to Low Intensity Counter Insurgency Operations (LICO) or what is termed by some as Operations Other Than War (OOTW) to include subversion, intimidation, terrorism and guerilla operations. It would continue to have a high urban warfare content with relatively

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high civilian casualties. Technology would count for less and large youthful motivated population for more, during the frequent face offs, to exploit the communal sentiments. India has endured LICO so far and there is no reason to believe that it cannot do so in the future. Pakistan's Kashmir policy has failed and after Kargil the worst lesson drawn could be that India would forego its conventional capability deterred by Pakistan's nuclear arsenal. It is worth recalling that the erstwhile USSR did not resort to nuclear weapons despite suffering 63000 killed and 9880 wounded like the US in Vietnam despite suffering 57,000 dead.

The last argument in this debate is about the rationale for the arsenals. Raja Menon answers this with a question "Can Pakistan live with the idea that the Indian arsenal look at factors well beyond Pakistan? Similarly, can Delhi live with the idea that after China modernises its arsenal, its structure would look well beyond India." ²⁵ It is hoped that there would be many dialogues between China and India and India and Pakistan to develop confidence in a stable deterrence so that accidents are taken care of, the intentions and incidents in this field are not misunderstood and capabilities are mutually agreed to in light of the security imperatives of each country as explained above. It would be critical for that, the advanced early warning, communications and command control structure are developed or acquired under a definite workable nuclear strategy and Permissive Action Links (PALs) are put in place.

Science and Technology

Science and Technology brought in revolution in the information technology (IT), international commerce and consequently

shaped international politics of globalisation. The Revolution in Military Affairs (RMA) has established the multiplying effect of the modern technology but what is perhaps less appreciated is the fact that though the leaders today have more military force at their disposal than before, they probably have lesser control over it due to the changed structure of international politics.

The trends established for some time now indicate that in future instead of newer inventions there would possibly be greater effort put in innovations by synergising the existing material sciences, nanotechnology, information and biotechnology which could revolutionise public health, safety, business and commerce. "Lateral development" of older technologies could continue giving rise to more innovative applications. Breakthrough in material technology would give rise to more survivable, multifunctional, smart, environment-compatible, customisable products which would not only benefit the information and biotechnology, but also the military technology. Newer systems will get produced even before the life cycle of the older systems is over due to the shortening of the time between discoveries and applications. Defence forces would probably prefer the introduction of the latest weapon systems, which in turn would necessitate larger inventories and investments as also remove the luxury of the frequent changes in the general staff quality requirements (GSQRs). Lure of the jobs in the open market could put pressure on training by the Defence establishments.

Increase in bandwidth could soon make communications free allowing for increased ability to connect hand held devices with the audio, video, data, internet, and thus the world. Increased numbers of both low and

high level satellite systems would further help availability of information on global positioning and mapping, through improved communications, virtually at the touch of a button from a hand held device. However, it would become increasingly difficult to maintain technological superiority for long. This could be a nightmarish scenario for the Defence services to safeguard what is vital. In such an environment the non-material elements of military strategy like better concepts, doctrines, training, leadership, motivation, command structures and responsive military organisations could become the battle winning factors.

Unfortunately, some countries would fail to take advantage of this explosion of information unless they were well “networked” locally and internationally in terms of education and infrastructure. The rise in the consumer products based on all this would be colossal. India would possibly continue to lead in this sphere benefiting the region.

There are estimates that China could lead the developing world. However, its countryside may not get networked along with the urban areas and it is unlikely that China would have developed the capacity to shape the content of information or control it by the first quarter of the Twenty First Century. Apart from the Defence sector, the terrorists and the criminal outfits would continue to be the biggest beneficiaries of these networking possibilities unless international cooperation grows substantially in this field.

Biotechnology would start blooming by the first quarter of the Twenty First Century. There would be many possibilities due to the progress in dealing with infectious diseases and microbial resistance to antibiotics. Decoding the genomic basis of the cellular

structure would enable the medical communities to innovate more effective methods of diagnosis and treatment. Predictably most of this progress would be in the West but some applications could come to the region decreasing fatalities. Biological warfare would remain closely connected with all this progress and security would lie in a more sincere adherence to the international conventions.

Safeguarding the transfer of materials, capping or controlling the nuclear and missile technology would become more important due to fear of its falling in the wrong hands. However, the target countries may not accept too intrusive an arrangement but could negotiate in return for certain gains in other areas.

Advantages are likely to go to the countries that have a strong commercial sector and can develop effective ways to link these capabilities to their national defence industrial base. Countries able to optimise private and public sector linkages could achieve significant advancement in weapon systems. Economics would rule the roost due to frequent requirements to change the weapon systems and arms transfer would become increasingly more difficult in the future.

Human Resources

India is not expected to cross the 1.4 billion mark due to falling birth rate from 2.1 per cent to 1.9 per cent.²⁶ This could drop further due to improvement in economic and social development. Pakistan could reach around 250 million by the first quarter of the Twenty First Century or less if the measures announced by General Musharraf on 12 January 2002 get implemented. Life expectancy could go up in the region and

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infant mortality could keep coming down if definite and successful public health and population control measures are taken. Otherwise population could grow at a rate greater than the world average which is 1.3 per cent annually; it is expected to be 1 per cent by 2015 according to the GT-2015 study.²⁷

The ratio of the urban to the rural population would steadily increase. It is expected that by the first quarter of the Twenty First Century more than 50 per cent of the population in the region would be urban. It would create tremendous problems for the developing countries in creating jobs and to provide housing, public health, infrastructure and social support necessary for a liveable and stable environment. On the positive side more population would be able to take advantage of the information revolution and other technological advancements.

It is estimated that the developed countries in Europe and Japan will need large number of workers due to the declining birth rates and ageing population. However, in the wake of 11 September 2001 terrorist attacks various restrictions are being placed both on migration as well as on the conditions of living in these countries. Though this may ease out after a few years, yet the migration rate could suffer. The resultant affect of this on the remittances and relief to the countries of the region in terms of pressures from unemployment and underemployment is obvious. This could give rise to tensions unless addressed internationally. Education could provide some relief in this provided the countries have the required level of training facilities as explained by Mr Shahid Javed Burki's²⁸ example of the US visa offered to 150,000 people possessing IT skills, in 1999 of which 76,000 were granted to the Indians and 2,300 to the Pakistanis.

The losses through ongoing conflicts in the area will never be computed accurately but according to the Ethnic Affairs Ministry of Sri Lanka nearly 25 per cent of children living in conflict areas of fight between the LTTE and the government have lost or are not in touch with either both or one of their parents. There are tens of thousands of children traumatised by war in Sri Lanka itself. In India, in J and K alone, there have been 50,000 incidents of terrorism in the last 12 years according to a 01 October 2001 *Times of India* report, and 29,155 people have been killed and 21,746 injured. The current stand off between India and Pakistan has cost the lives of over 35 soldiers in mine accidents not counting the casualties in the J and K. The financial cost to India is estimated to be Rs 4,000 crores in three weeks and for Pakistan between \$ 400 to \$ 600 million which would be 20 per cent of the declared defence budget of Pakistan. The US commitment to help cover Pakistan's military costs in support of US forces in Afghanistan totals \$ 350 million and runs into \$100 million every month.²⁹ These human and financial costs can not be called totally unavoidable.

South Asian countries do not have competitiveness in most technology-intensive goods as the technology for these originates in the West and remains there but there is competitiveness in labour intensive services. The catch is that the people with these skills cannot go abroad and compete because of visa requirement. There may be a movement towards making a high skill importing country to compensate the donor country for the value added services of its trained manpower. This would ensure developing countries are compensated for the resources spent on training their people. In the interim there should be agreement on free movement of goods and services from and within the region.

However, it is hoped that because of globalisation there would be an increasing pressure from the WTO to bring the countries of the region together to protect their common biodiversity and for a better bargaining position in the WTO on issues like rice, neem and haldi (turmeric).

Natural Resources and the Environment

Water has historically been a source of contention, civilisations have flourished or disappeared depending on its availability. There appears to be an increasing possibility that water could replace oil in importance sooner than we think. The GT-2015 study³⁰ has estimated that by 2015 about 3 billion people will live in countries that are water stressed. In the developing regions like South Asia 80 per cent of the water usage goes into agriculture and because of the falling water tables at the rate of about 3-10 feet per year it has become difficult to maintain the level of irrigated agriculture where about 1,000 tons of water is needed to produce one ton of grain. More water efficient techniques would have to be resorted to in agriculture. People are used to getting water at very cheap rates and they would be unwilling to pay more for it. This would make water a politically sensitive issue.

India, Pakistan and Bangladesh like thirty other countries in the world get a large share of their water from outside their boundaries. The recently concluded Memorandum of Understanding (MoU) between China and India³¹ and the tension between India and Pakistan clouding the Indus Water Treaty of 1960 are both indicative of the importance attached to water. The reported draught in Pakistan cannot be dismissed lightly as it could have been a result of the declining amount of snow in the

catchment areas of the rivers flowing into Pakistan. The loss of life and property due to flooding in rivers Brahmaputra and Satluj in the year 2000 could have been checked if timely information was available from China. The MoU on Brahmaputra is precisely to ensure that and also to lay at rest all doubts about the reported diversion of the waters of Brahmaputra within China. Ecological concerns of this nature could, therefore, have increasingly serious security implications.

Many environmental problems would persist and grow over the next 23 years due to the increasing use of land. Significant degradation of the arable land would continue as also the forest cover in the region. Specially rich habitat such as wetlands and coral reefs in the island areas would exacerbate the historically large losses of biological species.

The GT-2015 study³² maintains that in our region China and India would actively explore less carbon-intensive development strategies, although they would resist setting of the targets for carbon dioxide emissions limits. Global warming would challenge the region due to melt back of polar ice, rise in sea level and reduction of glacier cover in the Himalayas. The Kyoto protocol on climate, which mandates emission reduction targets for the developed countries, would not come into force without substantial modifications.

The energy requirement of the world have doubled in the last 30 years. Developing countries, till the end of the last century, consumed 34 per cent of energy and the developed countries consumed about 54 per cent. By the first quarter of the Twenty First Century, the requirement of the developing countries would increase to 46 per cent and that of the developed world could come down

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to 43 per cent. According to GT-2015 study³³ global economies would continue to be more energy efficient. The new, more dynamic areas of knowledge and service fields are less energy - intensive. The new techniques of energy exploration in deep seas and remote areas could increase energy production.

Energy requirement of the region would continue to grow and consequently the oil producing countries would continue to exert leverage. South Asia's requirements of energy would be primarily met from the Persian Gulf, which would send one -tenth of its produce to the Western markets and three-quarters to the Asian region. Caspian energy development is expected to be high by the year 2015 and it could be transported through new routes down south. India's requirement of gas by the year 2020 is expected to rise to 5.9 trillion cubic feet. This requirement and that of the region would possibly be met by Iran since Iran and India are expected to establish trade and economic cooperation allowing oil and natural gas to flow to the region. Transportation of this gas would throw up new opportunities and challenges in the region.

Fossil fuels would remain the dominant form of energy despite increasing concerns about global warming. Efficiency of the solar cells would improve; and genetic engineering would increase the long-term prospects for the large-scale use of ethanol and hydrates. Nuclear energy could remain at the current levels with minor increase.

Conclusion

Though the widening gap between India and Pakistan due to economic, military including nuclear capability would continue

to create instability, at the same time America's "Stability in South Asia"³⁴ theory could be operative, i.e. "when a stronger state, having no need to attack a weaker state, chooses not to attack it. The weaker state, being unable to attack the stronger, cannot disturb the peace either." The window of opportunity that was kept open due to Indian indecisiveness in matters economic and not necessarily military could decisively close by the first quarter of the Twenty First Century.

The widening political, economic and social disparities in the region could continue to be a destabilising factor. Due to the changed circumstances where everyone now knows what ails the region, remedial measures would be taken through consensus. The events of 11 September 2001 and beyond have removed what little ambiguities there were in the minds of the decision makers about the inadvisability of confrontational politics. Such atmosphere only created space for undesirable elements like the terrorists to thrive. The inevitable connection with the criminal gangs dealing in narcotics, arms and money laundering has become clear to all. The result of hosting such elements requires no reiteration after seeing the plight of Afghanistan and Pakistan. Strangely, the question being debated *ad nauseam* is can General Pervez Musharraf deliver? When we should instead be asking what could the countries of the region do to see that General Musharraf can deliver?

Rising expectation of the population fuelled by the information explosion would keep the national governments alert about their role. Transnational NGOs, human rights and women groups would demand greater transparency and response from the governments of the region. Smaller states would realise that maximum benefits of

globalisation and advancements in science and technology would only accrue to regional groupings and not to individual states. They would slowly notice the leverage they have through the natural resources of all types including water.

Since poverty, disease and crime respect no borders, the bigger states would soon realise that if they do not want the demographic osmosis to take place, they had better help in the economic upliftment of the neighbouring states. Otherwise all their national efforts to improve the well being and health of their people would constantly keep getting negated. Ecological, energy, trade and non-trade issues of the kind now under discussion in the WTO could force the South Asian region to come together to avoid exploitation by the multinationals and the richer states.

The fundamentalist movement took advantage of the post Cold War transition, where states were not quite sure of the emerging equation amongst nations. Fundamentalists in their exuberance due to early successes, mostly due to the ineptitude of the non-democratic governing classes, who helped them to retain control of their population, bit too much too soon. They underestimated the natural resilience of the nation states as also the emerging paradigm of the "balance-of-dependence" in the world allowing little space for non-state actors to spoil the party. The Weapons of Mass Destruction (WMD) have too much destructive potential for any country not to take notice of the fact that their use accidentally or through misunderstanding, and least of all through non-state actors, can be catastrophic.

Human nature will remain what it always has been, adventurous. There would still be

some leaders who would take chances, of maximum payoffs, offered by brinkmanship. Domestic politics could create situations where, unless there is a system of checks and balances, some decisions for short-term political gains could put a nation and its people in peril. The internal systems in the countries of the region should be strengthened allowing maximum accountability to the people – with adequate checks and balances. What we need is "comprehensive security" covering all aspects discussed above which would only be ensured through a strong regional grouping allowing maximum advantages to be reaped from the emerging opportunities offered by technology and globalisation.

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FIRST SESSION : SECOND PAPER
COLONEL MAQBULUR RAHMAN KHAN

In the aftermath of the 11 September 2001 terrorist attacks on American soil, conventional security dimensions seem to have been temporarily overshadowed or out focused by an act of wanton violence conducted by a terrorist network based in Afghanistan, a country close to South Asia, and its arch operator stationed in the vicinity. In a mono-polar world, terrorist strikes on the architectural symbols of the super power's wealth and might had their immediate global repercussions impacting on the whole gamut of security dimensions. World public opinion was mobilised, primarily out of indignation at terrorism in all forms and abhorrence to human catastrophe resulting from such violence. The terrorist strikes culminated in most nations rallying behind the US in her war on terrorism and many volunteered their physical and moral support in waging military campaign against Afghanistan for sheltering and harbouring the Al-Qaeda terrorist network and its prime operations. With the onset of the fight against the terrorist menace and carpet bombing at the doorsteps of South Asia, the region came in sharp focus of world media. Despite the initial campaign having come to an end, popular attention has remained engaged on the fallout of the Afghan episode under the euphoric environment of victory in war against terrorism and total defeat of the Taliban regime.

Military and economic dimensions of security have come to the forefront. Despite occasional all-pervasive development of 11 September 2001 style with its collateral influence on the security situations of the region, the basic factors or determinants (traditional and non-traditional) still hold good for any futuristic evaluation of South Asian regional security.

**RECENT DEVELOPMENTS IN
SOUTH ASIA**

South Asian region has been in the periphery of US strategic priorities since the demise of the Soviet Union. The nuclear tests conducted in 1998 put both Pakistan and India under economic sanctions imposed by Western powers. Tension heightened in the subcontinent, and South Asia observed with consternation at the escalation of arms race. Western powers, specially the USA, restricted itself to exerting diplomatic pressure and imposing economic sanctions and did not commit itself to any conspicuous interventionist measures.

The post 11 September situation demonstrates a shift in the US attitude towards the subcontinent. Soon after the US declaration of war on terrorism India announced its willingness to lend its full support including the use of her land, sea and air space for conducting US-led military operations against the Taliban regime in Afghanistan. Pakistan as a frontline state consented to the use of its territory and air space for the US-led campaign against Afghanistan. The strategic calculations on both sides were far from ambiguous. For India it was an opportunity to ensure elimination of Islamic fundamentalist regime in Afghanistan with whom, India alleged, Kashmiri militants had a direct link. India also sought to exploit the situation to establish Kashmiri militants as terrorists ; and Pakistan, a terrorist state. For Pakistan it was an opportunity to woo back the US in her favour as she no longer enjoyed favourable treatment in her military and economic relations with the USA. Pakistan was further estranged when General Pervez Musharraf ousted the democratically

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elected government of Nawaz Sharif in October 1999. The renewed American connection would lock Pakistan in its old orientation in politics and foreign policy.

Terrorism and violence as a source of societal and human insecurity is not a new phenomenon in South Asia but the new concept of war on terrorism and its implementation on the Afghan battle theatre has brought about a change in South Asian security perspectives and regional security equations. The war on terrorism has geopolitical consequences that are not very palatable for South Asia. It has already meant a growing American hegemony over South and Central Asia.

The 13 December 2001 terrorist attack on the Indian Parliament led India and Pakistan to the brink of another war. Both countries readied their troops and military arsenal for combat. India demanded that the two militant outfits, the Lashker-e-Taiba and Jaish-e-Mohammad, based in Pakistan, be banned on grounds of their alleged involvement in the attack on the Indian Parliament. Pakistan, under US pressure, virtually acquiesced to this demand and launched crackdown on these two militant organisations. The post 11 September spirit of cooperation against terrorism appears to have been the guiding principle in taking stern action against these two religious militant organisations. South Asian leaders; democratic or otherwise, friendly or rival, seem to have accepted the new security norms and principles as a vital consideration for working out a formula for compromise and peace.

INDO-PAK ARMS RACE : ITS RAMIFICATIONS IN SOUTH ASIA

The half century of Indo-Pak relations are marked by three major wars, two of which

were fought over Kashmir, let alone the quasi-war of Kargil. Throughout this period they have remained locked in arms race, each developing and procuring military hardware and arsenals on competitive precision and sophistication, diverting huge resources, which neither is able to sustain without serious burden on economy. Since the 1998 nuclear tests by India and Pakistan, South Asia has witnessed a series of missile tests by both countries. India's announcement of its draft Nuclear Doctrine and Pakistan's response to it forebodes an unending race. It was argued that nuclear capability would work as mutual deterrence and would restrain them from open confrontation. On the contrary, both Pakistan and India have continued their pre-nuclear politico-military postures without any significant change. Despite the Lahore summit of February 1999, the Kargil conflict took place during May to July 1999. This is evidence of the intractable nature of Indo-Pak dispute. The Kargil episode and the current military buildup following the 13 December 2001 strikes by terrorists suggest that nuclearisation has not necessarily compelled India and Pakistan to exclude or restrain conventional or sub-conventional use of force in settling disputes. On the contrary, it might rather increase propensity of low-intensity conflict on traditional as well as non-traditional issues with the apprehension of accidental or emotional use of nuclear arsenals. Kashmir will remain an unresolved issue and a sore point of confrontation, much to the worry of their smaller neighbours and the people across the region.

In the years to come, the security environment in South Asia is likely to fluctuate, in proportion to the destabilising influence or regional and extra-regional factors on Indo-Pak relations. Regional or sub-regional collaborative forum had often been

weather-bitten whenever dark clouds loomed over the Indo-Pak sky. Even the strongest of South Asian forums like the SAARC has not been witnessing unpunctuated sunshine. Much, therefore, depends on which course they charter in the next quarter century. A collaborative, cooperative and amicable India and Pakistan will be able to usher in a security environment congenial for collective development of South Asian nations. A bickering and confronting India and Pakistan will further degenerate the regional security climate causing abject misery for the impoverished teeming billions of this region.

SECURITY CHALLENGES FOR BANGLADESH

Located in the North Eastern part of South Asia, Bangla Desh is bound on the north, east and west by India sharing a common border of 4156 km. (3976 km land + 180 km course changing river). She has narrow land boundary of 271 km with Myanmar in the Southeast. Bangladesh's coastline stretches 257 miles in the Bay of Bengal in the South. The geopolitics and the security scenario of the immediate surrounding condition the security environment of Bangladesh. Besides, the non-traditional security issues with their regional ramifications will influence the security perceptions in the foreseeable future.

Bangladesh has always maintained good relations with her big neighbour India as well as Myanmar. Given the goodwill of both the neighbours and steady course of bilateral relationship, Bangladesh hopes to be able to pursue a cooperative security approach in the sub-regional context. However, Bangladesh's security concern emanates from certain outstanding issues with her immediate neighbours.

Indo-Bangladesh Border

On 16 May 1974, India and Bangladesh signed a border agreement. It set provisions for exchange of enclaves and land in adverse possession, subject to legislative ratification by each country. Bangladesh Government has ratified the agreement immediately after it was signed but it is yet to be ratified by India. This is delaying its implementation. The sprawling nature of the border occasionally causes tension between the Border Security Forces of the two countries and is an irritant in Indo-Bangladesh relations. Certain highlights of the Indo-Bangladesh borders are worth a note:-

- (a) Total common border : 4156 km.
- (b) Total undemarcated border : 6.5 km.
- (c) Enclaves : 111 Indian enclaves (with an area of 17158.13 sq acres of land) inside Bangladesh and 51 Bangladeshi enclaves (with an area of 7110.02 sq acres of land) inside Indian territory. (If implemented, Bangladesh is due to gain an area of 10048.11 sq acres of land).
- (d) Adverse possession : Indian land 3024.16 acres and Bangladeshi land 3506.31 acres (Bangladesh is due to gain an area of 428.15 acres of land).

Maritime Boundary

The maritime boundary is also a source of occasional irritation in the absence of its clear demarcation and the absence of a well-defined Exclusive Economic Zone. It is of special significance in view of the prospects of coastal and off shore gas and oil exploration, besides other living aquatic resources. Bangladesh, as a lower riparian country, is naturally disadvantaged in sharing water of common rivers, mostly originating from the Himalayan ranges. Besides the

Ganges, it shares water from as many as fifty three common rivers, big or small. The most vexing one has been the Ganges because of the barrage constructed by India at Farakka. However, given the goodwill of both the nations, a long-term water sharing agreement was reached in 1996. A blueprint has to be worked out on sharing of water of other rivers on the basis of equity and justice.

Cross Border Insurgency

Ethnic differences have retarded national progress in most South Asian nations. These groups have resorted to armed rebellion and insurgency. Insurgents often seek sanctuary in neighbouring countries giving rise to misunderstanding and mistrust and adversely affecting inter-state relations. Its degenerating fallout is the proxy war amongst neighbouring countries resulting in violation of human rights and destruction of life and property. Bangladesh has been beset with ethnic problem in its south eastern belt of Chittagong Hill Tracts. The security forces of Bangladesh have remained engaged in counter insurgency operations for more than two decades. A section of the hill people took refuge across the border and has been living as refugees in the neighbouring Indian state of Tripura. This has obviously been a sore point in Indo-Bangladesh bilateral relations. However, a peace accord signed in December 1997, between the government of Bangladesh and the tribal groups, is a major breakthrough. Refugees in Tripura have been repatriated and the conflict has gone into a de-escalatory phase though a segment of disgruntled rebels are yet to surrender arms. The North Eastern Indian states bordering Chittagong Hill Tracts remain in the grip of the five or more decades old insurgency. It is of serious strategic interest for Bangladesh to ensure that these insurgents do not take refuge in Bangladesh territory that could impinge on their security.

Bangladesh-Myanmar Relations and the Rohingya Issue

Although Myanmar does not form a part of South Asia, Bangladesh's relations with Myanmar on the question of Arakanese Muslim refugees (known as Rohingyas) has been of relevance and significance in her overall security perspective in the context of emerging sub-regional cooperation involving India, Bangladesh, Sri Lanka, Myanmar, and Thailand (BIMSTEC). The Rohingya crisis has the potential to generate cross border terrorism to the detriment of good neighbourliness. Arakan being located in the route of drugs and arms trafficking, its linkage with Rohingyas may turn it into a volatile zone. The Rohingya refugees are prime material for use for subversive and criminal activities by vested quarters.

Environmental Degradation

Environmental degradation in South Asia may have serious repercussions on the ecosystem and the geo-economic scenario of the region. Insecurity caused by environmental degradation has special relevance for Bangladesh because of its location. It is prone to natural calamities like floods, cyclone, tornado and other climatic vagaries. Bangladesh is specially concerned about environmental degradation in the form of deforestation and soil erosion due to increased human activity in the upper reaches of the Himalayan region. Global warming as a result of greenhouse effect, as scientists apprehend, may increase world temperatures by about 13°C in the next quarter century. If there is a rise in the sea level by even one metre due to melting of polar ice, 17.5 per cent of area of Bangladesh including 3500 sq km of coastal islands will be inundated. This will impact on the flora and fauna as

well as the natural system that supports life. It could also radically hamper the demographic stability of the region.

Besides the traditional and non-traditional issues already mentioned, Bangladesh shares the same fate of economic insecurity with other South Asia nations under the impact of globalisation and emerging world trade order. The situation will be further compounded if intra-state trade imbalance persists due to pre-eminence of any big neighbour or if the equity in trade transaction is underplayed. Societal insecurity will further aggravate if the current trends of criminalisation and vandalisation of politics, under the patronisation of mischievous political groups is not put under restraint. The criminal underworld will surface to exercise domination in state politics.

Conclusion

The issue of security and their ever-widening dimensions will get complicated further under the impact of psycho-social metamorphosis of the security planners and security beneficiaries of the region coupled with the pervasive influence of a mono-polar world in the ensuing quarter century. What is

required is a cooperative security approach that takes into consideration the security needs of any partner nation irrespective of the size and strength. For a nation to address all her security issues in isolation is arduous. Collaboration may be on bilateral or multilateral basis, with the feeling of equal partnership in an environment free of an overbearing attitude. SAARC provides us with such a forum. It is looked upon as the only regional organisation within this region working for peace, welfare and socio-economic advancement. Bilateral problems of member-nations should not impede the process of SAARC; the interests of the region as such should be the focus.

To address the issues of terrorism we must not attempt merely to fight terrorists and hunt down perpetrators of terrorism and their abettor but also try to understand the deep-rooted causes of terrorism in different states and the nature of upheavals faced by each. Terrorism is only a violent manifestation of some kind of injustice, actual or perceived. The regional convention on suppression of terrorism adopted in 1987 may be strengthened to bring terrorist offences under its fold.

FIRST SESSION : THIRD PAPER

TANG LIUYI

South Asia is amongst the regions that have the most complicated of situations in the present-day world. It is difficult to accurately depict the developmental trends of the current security situation in South Asia, and even more so to make a survey of the regional security perspectives before 2025. However, peace and development remain the two major themes of the times, while economic globalisation and political multi-polarisation continue to develop in twists and turns. The current international situation is characterised by peace, relaxation and stability on the whole but war, tensions and turbulence persist in part. All this has imposed a restraint from which no region can be immunised in the evolution of their security scenario. For this reason, we can still come up with some views in conformity to reality through analysis and study of the main factors affecting the security situation in Southern Asia.

Under the megatrends of peace and development, the regional security situation as a whole may be expected to develop gradually towards relaxation. However, given the serious imbalance of power and the absence of an effective security mechanism, the momentary hardships in resolving various inherent contradictions especially the Kashmir issue and the just unfolding arms race between India and Pakistan, the spread of religious extremism and the intervention from outside forces, stability and peace have all existed side by side with turbulence and war for a long time in this region. Signs of relaxation have been there since the end of the Cold War, but no fundamental changes have ever taken place regarding regional conflicts, giving birth to an extremely fragile

security environment. South Asia's security situation is fragile and changeable not only because of the contradictions within the region, but also due to its geo-strategic position. It either has a close bearing on the interests of countries from within, or involves the concerns of numerous nations from without. What's more, some of the factors affecting the regional security situation have a dual tendency, positive and negative, in parallel.

Inherent problems, such as territorial and resource disputes, national and religious contradictions, cross-border crimes and immigration issues remain the root causes for conflicts within the region. One of the most turbulent regions with frequent clashes during the Cold War the conflicts did not fade away with the end of Cold War. This region is unbalanced in economic and social development. It remains one of the poorest regions in the world, with a slow increase in the national income per capita; 40 per cent of its 1.3 billion people live below the poverty line and its share of global gross products is less than 2 per cent. Various contradictions have sharpened with social turmoil, an unstable political situation and the chaos of war or war like situations occurring now and then. In return, the economic development is encumbered, contradictions between states intensified and the regional cohesion weakened. The governments of this region, without any exception, have been thirsty for an environment of peace and stability in order to be able to focus their efforts on social progress, economic construction, promotion of comprehensive national strength and the living standards of the people. The recently convened 11th Summit of SAARC (South

Asian Association for Regional Cooperation) declared their determination to strengthen socio-economic cooperation and address the most urgent and difficult problems in the region; which are poverty eradication, trafficking of women and children, trade barriers and terrorism. It was reassured of further enhancement of the Association and greater cohesion. South Asian countries have huge potentialities for strengthening economic and trade cooperation and consultation on political matters.

There is a seriously uneven balance of strategic power. As a regional power, India holds absolute superiority in size and in population, in economic and in military strengths, which have surpassed even the sum total of the other countries in the region. Moreover, post-Cold War, there has been continuous enhancement of its leading position in the regional security affairs. India occupies 3/4 of the whole area and nearly 80 per cent of the total economic yield of South Asia. Economically, it has maintained a rapid and steady growth over the last ten years while militarily, it is twice the sum total of all the other countries. The current strategic objective of India is to seek the status of a world power while consolidating its position as a regional power. On the other hand, India wishes to give impetus to the political democratisation and multi-polarisation of the world, oppose hegemonistic trends of the superpower and needs to shape a peaceful international environment of security. It is willing to settle the regional disputes through peaceful means so as to concentrate its efforts on domestic economic construction. The imbalance of power has rendered the small and medium sized countries fearful of, and vigilant against, regional powers. Major differences exist there between countries in their strategic and security objectives. Most

of the nations are inclined to have the loan of external factors for the settlement of regional issues. It is hard for them to share one and the same security concept and it takes so long to set up any effective security mechanism, presenting a striking contrast with ASEAN countries. Such state of affairs has also impelled these countries to act with caution and adjust their respective policies whenever necessary, so as to avoid escalating any conflict and in the process endangering their own security.

The relationship between India and Pakistan is at the crux of the matter of South Asian security with the Kashmir issue at the core of their bilateral contradictions. There exists serious divergence between the two sides on the nature and ways to solve the Kashmir issue, on the matter of "transnational terrorism" and many other questions. They have deep grievances against each other accumulated over the years. They have fought several wars. Both countries have been vying for the strengthening of military power and have become *de facto* nuclear states. There has emerged a situation of nuclear confrontation and an intensified arms race which have not only deteriorated their bilateral relations but also posed a serious threat to the regional and even international security. Some of the SAARC programmes envisaged for improving regional cooperation, such as the establishment of the SAFTA (South Asian Free Trade Area) are yet to catch roots. The side which suffers a setback in a future Indo-Pak war may possibly resort to the first use of nuclear weapons. However, India and Pakistan are well aware that neither side can destroy at one stroke the adversary's capacity for a second strike and that both sides will suffer in the event of a nuclear war. Any form of military conflict between India and Pakistan can only end in a lose-lose situation. This will

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be the first factor that the two governments are obliged to take into account while making a decision on war. Objectively, therefore, a certain strategic equilibrium of mutual deterrence will be formed between them. Both countries have given first priority to their domestic construction, impelling the two sides to do their best to limit any conflict that arises.

Another of the causes for the instability in South Asia comes from the negative impact due to the interference of outside forces, especially some major powers who have been vying to exercise influence over the region because of different strategic objectives. With their interests being both in accord with one another and mutually antagonistic, they are bound to take advantage of various inherent contradictions centering round the hostility between India and Pakistan, thus sharpening them and bringing forth a good many uncertainties to the region. But the influence of major powers may also in practice conduce to the regional balance of power. In view of South Asia's geo-strategic position and potentials in market and resources, the great powers hope to maintain a posture of relaxation in the region. Having forsaken the Cold War policy of allying with one side to oppose the other, both the United States and Russia are ready to contribute to peaceful settlement of the India-Pakistan dispute. As a near neighbour of South Asia, China is very much concerned with the regional affairs and calls for active development of relations with all nations there. To maintain regional peace and stability, China has appealed for settling or temporarily shelving all disputes and increasing mutual understanding and cooperation.

The spread of religious extremist forces constitutes a great threat to South Asian security. Afghanistan, under Taliban was a

sanctuary and gathering place for such forces to spread around. They have supported the anti-government separatists in terms of funds, weapons, training and so on and hence become a social evil seriously undermining regional security. By utilising the national and religious contradictions and conflict of interest between states, they have spread their terror activities. As a result, the various contradictions are all the more complicated and stand as an obstacle to peaceful settlement of disputes in the region. Fortunately, there is a clear understanding amongst nations that terrorism is their public enemy. This has added to the common language and offered another shared target for the South Asian countries in resolving the regional problems. In this context, some of the happenings may be viewed as vivid and outstanding examples. The 11th Summit of SAARC has accepted UN Resolution 1373 as the basis for future actions against terrorism, and emphasised their determination to "redouble efforts, collectively as well as individually, to prevent and suppress terrorism". Pakistan's President Pervez Musharraf has declared a ban on the extremist organisations as well as its activities in his country, thus relaxing the existing tensions to some extent. At present, the religious extremist forces are mustered mainly in the Asia-Pacific region. It will be an important contribution towards the security and stability not only in South Asia but also for the entire region of the Asia-Pacific. Experiences have demonstrated that the situation in South Asia will tend towards relaxation if the development of the factors mentioned above is dominated by their positive aspects. Given the backdrop of a relatively relaxed post-Cold War world and major policy adjustments by India and Pakistan as well as some of the extra-regional powers, there is a possibility for India to

improve relations with its neighbouring countries and lessen the tensions with Pakistan. It is a pity, however, these positive tendencies have not always got the upper hand; some major powers have not yet actually given up the old way thinking. What course to follow depends seemingly upon the respective policies of India and Pakistan, the United States and Russia. In particular, it hinges on whether India and Pakistan can share a new, joint security concept based on mutual respect while reserving differences that could be settled by peaceful means. It is on this basis that the regional organisations could be brought into play. This promises bright prospects for SAARC. My personal opinion thereupon is that the security mode of ASEAN and the function of ARF (ASEAN Regional Forum) may well be taken for reference. A compliment to APEC (Asia Pacific Economic Cooperation), this Forum represents the sole region-wide organisation with two channels, official and civilian, for dialogue and consultation on questions of security cooperation and is expected to further develop into a regional, multilateral mechanism. In recent years, development of the SAARC has furnished a certain base on which to establish the regional mechanism for security and co-operation. In view of the difference in the situations of South Asia and Southeast Asia, bilateral or sub-regional mechanism may be necessitated as the forerunner and supplement. But the doubt is whether all parties especially the regional powers will take the new and joint security concept as a guiding ideology, apply the

method of consultation on an equal footing and follow the principle of proceeding step by step. What is needed is greater sincerity, wisdom and courage from all State leaders.

Meanwhile, the South Asia policy of the United States, Russia and other extra-regional powers will produce greater influence upon the security situation of the region. In the wake of the Cold War, the US's South Asia policy had tilted towards India but was readjusted after the 11 September 2001 terror attacks into a practice of balancing between India and Pakistan. In the long term, the United States will further tighten its ties with India. For one thing, there is some convergence of interests in their strategic objectives. However, given their obvious disagreements on matters like the political multi-polarisation, the establishment of a new world order and human rights, the United States will probably not outdo itself in being biased towards a single side. It is not reconciled to breaking up the powder keg of the Kashmir issue and involving itself in the regional military conflicts. The principal aspect of US's South Asia policy remains that of maintaining stability of the regional security situation.

The cloud of turbulence and conflict appears in South Asia from time to time. Under the impetus and restraint of various factors, both within and without, a large-scale local war is unlikely to breakout. The strategic order that is taking shape is expected to progress slowly through twists and turns just the way it has done since the 1980s.

GENERAL DISCUSSIONS

Major General R C Chopra, AVSM (Retd)

Mr Tang just mentioned cross border crimes and, in brief, immigration. But I would like to focus on Colonel Rahman Khan's exposition. There has been no mention made by you of the illegal migration from Bangladesh into Assam, North Eastern India and West Bengal. This impacts on the security environment of this region. You brought out that due to migrations economic disparities have increased. This problem is bound to spill over into Bangladesh as India shares 4000 kms of border. How do you perceive this problem? What steps could Bangladesh take with India to get over this. For the sake of politics, this migration has been regularised to a certain extent.

Mr Haack referred to unilateralism and stated that besides India even smaller countries in the region practice unilateralism. In fact smaller countries are in no position to practice this. I would like to have some comment on bilateralism as opposed to multilateralism. The former is the policy of India.

Lieutenant General V K Singh, PVSM (Retd)

As regards the security scenario in South Asia, the basic cause for any security problem affecting us is internal. And the external factors may be taking advantage of this situation. Most South Asian nations seem to assume that neighbour's insecurity would ensure their security. Unless this tendency is done away with, one can neither have bi or multilateralism.

Talking on the same aspect, there are certain common traits that have been referred

to. For instance, trans border crime, migration into Bhutan, Nepal as also inside India. Economics dictate movement of population. This cannot be stopped but can we control or regularise it? Five decades ago, Bangladesh was one entity with India. This problem can be sorted out by regularising it. South Asian security depends on the other's security. This has to be realised.

Professor Satish Kumar

A point has been made by the speakers that India-Pakistan relations are the main cause of South Asian insecurity. This is not new. Indo-Pak conflict will be there for some more time unless there is a basic change in the nature of Pak society and politics. This will take some time. The point to ponder over is what new has happened in the last six months or so which has aggravated the security situation in Southern Asia. In my opinion, in a very strange, unintended and unexpected manner it is the presence of the USA in Southern Asian security situation that has made itself felt in a very significant manner and will continue to do so. The 11 September tragedy had nothing to do with India or Pakistan. It emanated from the desire of Laden when he took upon himself the responsibility to destroy America due to the latter's presence in Saudi Arabia. The impact of the attacks was disastrous for Southern Asia. The USA is collaborating with India to suppress terrorism but then the USA is doing this for their national interest. What has the US done to prevent the promotion of security in South Asia? The answer is that it has laid immense pressure on India to observe restraint and not take military action so that the strategic objectives of the USA vis a vis Afghanistan are not jeopardised. I would again

venture to make a statement here that in a situation where cross border terrorism has not been prevented in the last decade or more, it is not likely to be prevented through negotiations. For India the option lies in the use of force. The military objectives of the recent deployment on our borders with Pakistan are not clear. As a layman one would hope that there are certain objectives in it and if these objectives have not been fulfilled or are not anywhere near being fulfilled, one would among other reasons tend to blame the USA by putting tremendous pressure on India not to move beyond a point so that their strategic objectives are not jeopardised.

Lieutenant General Nambiar and other speakers have pointed out that the military presence of the USA in Afghanistan in a significant manner, and in Uzbekistan, Tajikistan - the entire gamut within which one has to see it vis a vis China, Russia, the oil politics of the region and so on - one has to shudder to think of the possible consequences and one has to come to a conclusion that the US will not allow India to exercise its military capability in the manner it would suit its strategic interests. Therefore, it is my suggestion that the role of the USA in preventing India to undertake steps to promote its own security and thereby according to some, promote South Asian security and stability is an important factor to be taken note of.

The weaknesses of countries like India or Bangladesh are visible – the Kashmir question would have been sorted out to a considerable degree if only the Central Government and political parties in India had evolved some kind of consensus on how to negotiate with the Kashmiri political leadership. This has not been done and it is unclear whether it would ever be done in a

meaningful manner. Similarly, the Bangladeshi Government has a keenness to supply Bangladeshi gas to India. With the new government there echoing the same sentiments, Sheikh Hasina who is now in the opposition, has rejected it. The security of the other nation is the security of your nation. There is a need for some kind of metamorphosis in the whole thinking processes and policy makings and attitudes of the political leadership across the South Asian region as a major factor which has to contribute to stability.

Colonel R Sharma

My question pertains to the rationale of the US presence in Afghanistan and Pakistan. Both Hamid Karzai and the present US Envoy in Afghanistan, have worked for UNOCAL, a major oil company. They seem to have been placed there in order to push ahead the oil interests of America. Last year, the US envoy had asked United States to pursue the case with Taliban to allow the Turkmenistan-Makran coast pipeline to come through. Now it has become easier for the pipeline to come through because of the US presence in both countries. They also have people at the helm of affairs who are functionaries of the oil corporation. In the next ten years or so this oil will be mainly supplied, if one can forecast, to China and Japan instead of going through the Straits of Hormuz. Therefore, any ensuing tension between India and Pakistan is not in the interest of America or the economic community of the world. Hence, we have to get used to the fact that the Americans will retain considerable presence in Pakistan and Afghanistan and also have a major say in our policies in times to come. We have to rationalise in this background that economic imperatives will fashion security imperatives.

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Ms Arundhati Ghose

There is a need to go further on the matter of security impact of the World Trade Organisation (WTO) and its policies. Mr Tang spoke of South Asia and not Southern Asia which I deemed as the subject for discussion, I was expecting to hear a regional perspective of Southern Asia as a whole, bringing as Lieutenant General B S Malik tried to in his brief statement, stretching Southern Asia to Central Asia upto Iran. I would have been interested to have heard about security perceptions from the Chinese point of view; their perception of religious extremism in the area and continued American presence here. Does this trouble China and lead them to wonder how to cope with it?

A comment has been made that the tilt that the US had in favour of India was from 11 September 2001. This is indeed a peculiar assumption.

My question now is to Colonel Maqbulur Rahman Khan. The issue of migration from Bangla Dosh into India has been raised. Is there any concentration on the issue of population control – because the spill over could be due to economic degradation, or global warming – if land area closes in there is nowhere the Bangladeshis could go except neighbouring India. The man to man ratio has expanded to an extent that a spill over becomes essential. Is Bangladesh looking at a population policy that would control the growth in numbers as the inflow of migrants is certainly creating tensions in the North East? Here the reference is not to the issue of shelter to insurgents but to migrants who work hard and make more money and in the process arouse religious and ethnic passions.

A statement was made that after the US declared its war on terrorism, India

announced its support by giving land, sea and air space to the US. I do not recall such a thing and would like to know the source of this information.

A reference was also made to the arms race between India and Pakistan and it was stated to be not sustainable by both. What is the source of this statement? There is no source as far as I know that says that the Indian economic situation is even comparable in any way with Pakistan's economic situation.

Mr Haack talked about definition of 'terrorism' and 'terrorist'. Security Council did not wait for any definition when it passed its resolution against terrorism. Colonel Khan's definition of terrorism seems to be from the point of view of the terrorists; their grievances and so on. It is time that people looked at terrorists from the point of view of the victims.

Major General S Ibrahim (Retd)

I have always felt that in the context of security of South Asia, the matter relating to smaller countries got marginalised, whereas matters where India is related to any South Asian country have an equal impact on India's security. How does one overcome this overbearance of India-Pakistan security relations over the entire region? Geographically, the location of India and Bangladesh is of mutual discomfort. There was an element of indecision in Bangladesh as to which way to go and this saw her becoming member of more than one association. As of now, Bangladesh is an independent nation with affiliations and emotional attachments with the Muslim countries of the world – in particular, with the Middle East and North Africa, and South East Asia. Hence, though there is this emotional affiliation, geographically Bangladesh is a part of South Asia. An occasional rapprochement

between these two contradictory requirements will impact on the region's security. The perception of the people and the country's leadership come into play here.

India is a vast country and there may exist even those who do not know where Bangladesh is. But in case of the latter, for every 25 Bangladeshis travelling towards India one Indian at the most travels to Bangladesh. This is because an Indian has no requirements there. How do the people perceive this in that country? The number of Bangladeshi people who get killed in the BSF firing are few, but the impact it has on their psyche is absolutely out of proportion. How can one ameliorate such perceptions and convey to the people and the media for that matter that the situation is not so insecure as portrayed? And that such matters are within one's control to be defused?

Regarding the attitude of the leaders of both countries, the Indian Government was not as liberal to the previous governments of Bangladesh as it was to Sheikh Hasina's. Many agreements have been there between the two countries, but if this liberalism shown to her government applies to other governments also, it would be to the benefit of both countries. Cooperation of both Pakistan and Bangladesh are important if India wishes that gas travel over Pakistan from the western side and over Bangladesh on the eastern side. This necessitates a more liberal approach to the neighbouring countries. In its quest for regional or global power India must not overlook the irritants that exist right on its path. To overlook them may lead to their expanding and overwhelming India.

Major General A Mehta (Retd)

As far as regional collective security goes, the Indian subcontinent as defined by

some should be taken for limited purpose for hammering out some sort of a collective security agreement. The core issue is undoubtedly the India-Pakistan areas of dispute. These problems can either be settled or shelved as Mr Wang mentioned; and as China enjoys an all-weather friendship with Pakistan, it could use its persuasive influence on Pakistan in the larger interest of stability and security in South Asia. The other alternative, as suggested in certain economic forums, is for some kind of regional collective security arrangement – without Pakistan.

Lieutenant General Satish Nambiar, PVSM, AVSM, VrC (Retd)

A general tendency of referring to Pakistan and Bangladesh as small countries has been observed. On the contrary they are big countries in their own right.

Lieutenant General YM Bammi (Retd)

Mr Tang referred to the role of SAARC and ASEAN. Would you like to comment on the Shanghai initiative sponsored by China along with Russia and Central Asian countries? There was a suggestion to include India and Pakistan. How do you perceive that would help overcome security problems in this region?

Mr C K Lal

South Asia is a geographical term. But when the reference is made to Southern Asian region, it has geopolitical connotations. It implies certain ambitions. In my opinion, India aspires to emerge as a global power with certain area of influence. South Asia may not oppose this ambition. Even China, from what I can decipher of Mr Tang's presentation, has agreed to the pre-eminence of India in this region extending from Afghanistan to at least Myanmar, if not to Indonesia, Malaysia and

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Singapore. Probably, the US would also have no objection to this. All that they would aim at is to contain India within this region as it is trying to contain China within Asia. What is stopping India from achieving what it aspires for? There seems to be a consensus among those present here as to the role India should have in international relations/politics. India should highlight to the other countries of this region the futility of inviting involvement of outside countries here. A rethink in India's strategic establishment is vital to achieve this.

Mr SK Bhutani

There is one area in which both India and Pakistan have cooperated in peacetime and wartime, and that is the canal water treaty. My query to the panelists is whether there is any other branch of activity where India and Pakistan could cooperate perennially without being disturbed by the features of mutual irritants. Regarding migration, there are nearly 10 million Bangladeshis here in India. Apart from them, there are nearly 6 million Nepalese migrants; some also hail from Sri Lanka, Afghanistan, and Pakistan – and they are here without legal permit (visas). Is it possible for South Asia to have a common demographic policy so that we could remove this issue from the general tensions this regions is endowed with.

Major General Y K Gera (Retd)

Mr Tang talked about terrorism, religious fundamentalism and other such factors that affect the security of South Asia. To what extent is China affected by such adversarial factors? What steps are being taken by China to counter them? This is with particular reference to China's Western province.

Major General D Banerjee, AVSM (Retd)

A dialogue between China and India to

resolve the outstanding issues is seriously lacking. Energy resources and the geopolitics of oil will be the major issues that would concern the region. The legitimate interests of nations, as far as energy is concerned, are regarding its ensured supply, at an affordable price. There are other interests regarding control, transit rights, royalty, and the additional economic gains that flow from it. Most of the oil and natural gas and resource routes are through the former Soviet Union and Russia. Most countries of the West would not really appreciate this. Hence, the search is on for alternate energy routes. UNOCAL, for instance, had kept aside a billion dollars to manage the public relations dimension of the operations; this, in other words, is nothing but bribes.

As far as South Asia is concerned, the aim should be to ensure that some of these resources are available to the region collectively. The interest of any country would be to maximise the potential of the use of these resources. With regard to Bangladesh, it is the sovereign responsibility of Bangladesh to maximise the riches that would accrue to it from there. However, political factors come into play. It was not the intention of the previous government there to share the resources readily with India or for that matter the other members of this region; it is not yet a supported factor amongst the public either to share the resources. This is where the challenge lies for India – India needs to create that environment where both the countries could feel comfortable in sharing the resources.

Ms Veena Ravikumar

In China's perception, notwithstanding all the talk of sharing a common culture and centuries-old civilisation, India considers herself a regional and in due course an

international power. Is this the reason for the transfer of technology and so on to Pakistan so as to have a nuclear deterrent nation next to India and stabilise the arms race in the region? China has indeed played a very cautious role in getting embroiled in South Asian relationship; and this has made us optimistic. Post 11 September 2001, China has shown an inclination to be part of a cooperative security framework in the South Asian region. Unfortunately, though we refer to state actors, we are talking of terrorism and threat of terrorism as a non-state component. This is contrary to all talks of a cooperative security system that we envisage. Managing conflicts within a set framework is a very different notion from 'renegade elements' coming from outside of it.

My question to Lieutenant General Nambiar is how United Nations could become more efficient to ensure that unilateralism does not rule the day in international security; the US intent vis-à-vis other nations as renegade nations; and be in a position to create a bilateral solution to the Afghanistan problem?.

**Lieutenant General B S Malik, PVSM,
AVSM (Retd)**

According to one school of thought if in the 1980s nuclear technology had not reached Pakistan, the whole subcontinent may not have gone the way it did. However, any idea of leaving out Pakistan from the South Asian region's activities is unacceptable. The Indian strategist, Chanakya, remarked in 250 BC that a neighbour cannot be a friend. One has to cultivate a neighbour's neighbour.

It is in fact in our interest to ensure that our South Asian neighbours prosper. Demographic osmosis has to take place.

Otherwise can one maintain the one crore per kilometre per year expense? Unfortunately, our internal politics come to bear on our international relations. Matters should not move to a point where even the best of intentions start getting questioned.

For now, people get pulled to extremist fundamentalist tendencies because of economic deprivation. Regarding the WTO, if food security is not handled properly, the South Asian countries may be in for a big surprise. The food growing areas had to be reduced because more area got covered by cotton and sugar cane. Not only are we losing creativity and innovation, but on certain occasions the region is being economically deprived. Here one could also make a mention of illegal trade. The ratio of illegal trade between India and Pakistan is 1:5. The beneficiary is not the Pakistani government. At some point of time this has to be addressed.

Major General S Ibrahim (Retd)

One of the questions was regarding migration and demographic shifts. I particularly mentioned in my paper that when the effect of environmental degradation overwhelms Bangladesh, the population is bound to search for safer areas within the country or across the border. It is a matter of concern for us that environment be taken care of and that we cooperate with other powers of the region to avoid any environmental degradation.

Regarding terrorism, Bangladesh does not have a soft view about it. Terrorism deserves censure. However, one must not restrict oneself to just counter terrorism measures but also strike at the root cause(s) of terrorism.

Mr Tang Liuyi

China's relationship with Pakistan is an all-weather one. However, China made adjustments in its policies towards South Asia. China's aim is to have good relations with all nations including India. The way to achieve this is to forget the past grievances but remember the past glories. China is proud of being the co-sponsor of the Panchsheel. China has pursued a policy of peace and independence. However, some suspicions do persist. The aim of India should be to look at the deeds of China rather than only the words. The objective of China is not to be another hegemon or imperialist. If one were to look at the history of China, one would realise that it can only adopt a peace policy instead of aggression.

China also is against all forms of terrorism and advocates counter terrorism. In order to fight it, one has to detect the prime causes for it. China advocates a crackdown on terrorism through international cooperation, especially through the United Nations.

Regarding the Shanghai organisation, it is more like a forum of countries' governments. But it is by no means an alliance working on the basis of consensus of interests.

As far as SAARC is concerned, it has lost several opportunities to play its role as a regional organisation. What the region lacks in fact is a security mechanism. The ASEAN Regional Forum represents the sole region wide organisation with two channels – official and civilian, of dialogue and consultation. It is expected to develop further into a multi-national mechanism for security cooperation. However, SAARC has furnished a place for establishment of a regional mechanism for security cooperation. In view of the difference

of situation as found in South/ern Asia and South East Asia, the bilateral or subregional mechanism may be necessitated as a forerunner or supplement to the last security mechanism to be formed. These, it may be noted, are my personal views.

The disturbing factors are within the region and not outside it but outside powers may play a bigger role in regional matters. When President Bush visited China, Premier Jiang Zemin is supposed to have mentioned to him that the big powers (that included China) ought to play some part in the regional matters. The only thing that the big powers can do is to develop relations, especially economic, with all countries and not divide them as rogue states or evil states and so on. There is a famous saying in China that there are no bad children, only bad parents, no bad pupil, only bad teacher. To help others is to help ourselves.

Lieutenant General Satish Nambiar, PVSM, AVSM, Vrc (Retd)

One or two points need mention. There was a reference to unilateralism. This is a matter of general concern. Bilateralism, to some extent is in process in this region. We have agreements with our neighbours though not necessarily within the framework of SAARC. However, no matter what, one cannot control terrorist acts.

Mr Tang raised this point about the US endeavouring to have a balanced relation between India and Pakistan. India does not intend to accept that. The Americans seem to have begun to realise this.

Another aspect that needs note is the misconception regarding the troops deployment on the borders with Pakistan. What I state is a personal view but then it must be clear that the deployments were not to go to war with Pakistan. To think so would be naïve. After a certain stage, when

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tolerance threshold had been crossed, there was no question but that we needed to act should another such action take place. This was the message that was being sent to Pakistan. Should Pakistan have decided to escalate the response and should that have led to war, India would have to be prepared for such an option. This was the objective of the deployment.

There is a view in Pakistan, even at the official level, that the 13 December 2001 attack on Indian Parliament was engineered

by the Indian establishment. In the light of such perceptions, it is doubtful how much one could move ahead to improve relations between these two countries.

I thank the panelists for making good presentations and provoking such a level of discussions which we have had and the response they have given to the queries from the audience. I also thank the audience for participating in this session with so much vigour and asking some very good questions.

WEAPONS OF MASS DESTRUCTION, MISSILES, NMD/TMD AND INTERNATIONAL SECURITY

SECOND SESSION

Chairman : **Major General D Banerjee, AVSM (Retd)**

First Paper : Ms Arundhati Ghose

Second Paper : Mr Heidar Ali Balouji

Third Paper : Ms Gao Junmin

SECOND SESSION

LIEUTENANT GENERAL SATISH NAMBIAR, PVSM, AVSM, VrC (Retd)

DIRECTOR USI

It is my privilege to introduce Major General Dipankar Banerjee, Director of the Regional Strategic Studies Centre at Colombo, who at short notice agreed to chair

this session in place of Mr Parvez Iqbal Cheema of Pakistan, who could not make it to this Seminar.

MAJOR GENERAL DIPANKAR BANERJEE

CHAIRMAN

I am indebted to the USI and the FES for organising this Seminar. It is of great use during this critical period in South Asia. The session this afternoon is on "Weapons of Mass Destruction, Missiles, NMD/TMD and International Security". The importance of this subject has witnessed a multitudinous elevation post 11 September 2001 terrorist strikes in the USA. The dynamics and dimension of terrorism can be significantly altered and its impact multiplied manifold if it manages to use weapons of mass destruction. The consequences can be visualised.

For this session, we have three distinguished participants. Ms Arundhathi Ghose is a well-known IFS officer and India's Ambassador at the United Nations Conference on Disarmament, Geneva during the critical period of international defence diplomacy. Her statements on the grounds of not just India but also of the developing countries gladdened the hearts of those present there and those who followed the activities during the period. I invite her to initiate the first paper of this session.

SECOND SESSION : FIRST PAPER
MS ARUNDHATI GHOSE, IFS (RETD)

In this brief paper, I have tried to consider the impact on international security and stability, of not only the existence and possession of weapons of mass destruction and their systems of delivery, but also of the policies of the possessors of such weapons, whether states or non-state actors. The last decade has seen rapid changes in technological developments in weaponry and warfare, in power alignments and even, at a level, policy shifts which have made events and the identification of trends less predictable. Such rapid changes are demanding of states strategic and political responses which are flexible, dynamic and non-ideological in which as many options as possible are kept open as required by their changing perceptions of threats to their security.

It is my argument that the orthodox approach to the three identified weapons of mass destruction, chemical, biological and nuclear weapons, may need to be modified in the current scenario, especially as they are less likely to be used directly by states and that new policies and new actors are more likely to affect security perceptions not only in Southern Asia but globally as well. It is also my argument that new and more technologically developed weapons may, in fact, become the weapons of choice of states, over WMD, in terms of their effectiveness on the battleground.

The Scenario

Conventional wisdom is undergoing some form of mutation, and indeed, the view of a majority of countries has been that international peace and security and stability

in international relations, was threatened, to a large extent by the very existence of weapons of mass destruction. The efforts at the international level by this group of countries was aimed at legally binding universal rules which would prohibit the possession, manufacture, stockpiling, use or threat of use of these weapons. A smaller group, by and large possessors of these weapons, had serious reservations about this approach. In their view it was the horizontal spread of these weapons and the associated technology to countries that did not have the weapons that constituted a graver threat to international security – the ideology of nonproliferation as defined by this group.

There was ultimately international agreement on the elimination of two categories of weapons: chemical and biological/toxic weapons. The Biological and Toxic Weapons Convention (BTWC) was signed in 1972 with relative ease, as it was held that these weapons were not effective as battleground weapons. While the BTWC did establish a legally binding regime against this category of weapons, it did not bar the use, nor did it have a verification regime. It is still not universal in membership and, most important, does not take into account the acquisition of biological weapons (BW) by non-state actors. This is a major lacuna, as it has been felt that BW are essentially weapons to create terror in societies, even when actual casualties may be relatively low.

The Chemical Weapons Convention, while also not yet universal in its membership, is so far the only international Treaty that legitimises an entire category of weapons, whether produced by the

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government of a state or by any other manufacturer in territories under the jurisdiction of the State. It also has extremely stringent and intrusive provisions for verification, but the effective implementation remains dependent on resources and the voluntary cooperation of States.

Nuclear weapons, and their means of delivery, i.e. missiles, remain a case apart in so far as attempts by the international community towards nuclear disarmament have so far borne little fruit in terms of legally binding obligations. The view of the P-5, possessors of the weapons and those under their protection prevails, and such agreements as exist are limited to the control of the spread of nuclear weapons and of missiles (whether nuclear armed or not) to countries without nuclear weapons. On the contrary, doctrines underlining the centrality of nuclear weapons in strategic and defence policies of the P-5 and the three de-facto nuclear weapon states, India, Israel and Pakistan, remain firmly in place. There have been some recent developments, both positive and negative: it appears that the US and Russia might agree on a formal legally binding reduction of their current arsenals, though the issue of irreversibility remains open. On the other hand, the US detachment from the ABM Treaty and its development of precision missiles and high-tech warfare methods, not to mention the intention to establish an NMD/TMD system, would freeze the situation merely at another level. In addition, the acquisition of radioactive material by non State actors and the possibility of their use of a "dirty" bomb cannot be dismissed as a new challenge threatening international security.

There is no doubt that the imbalance inherent in the current nuclear weapons

regime, has had a negative impact on international stability: some states, such as India, have stayed out of what has been perceived as an asymmetrical regime and developed nuclear weapons to meet their perceived security threats: others, some members of the regime, have either clandestinely developed the technology and capacities violative of the regime, or have, equally clandestinely, exported material, technology, missiles or weapons. Still others are keeping their options open for the "poor man's nuclear weapons" - chemical and biological weapons, in response, as it were, to nuclear weapons held by states they consider hostile.

Into this fabric, the emergence of some recent phenomena has made the situation even more complex: first, an overarching determinant in the pattern of international security policies, is the emergence of a single State, the US, as an undisputed military, economic and technological behemoth. It has all three WMD in its arsenal, together with technologically highly advanced means of precision delivery. Its actual might together with its policy shift towards determining the global agenda unilaterally and the recognition of and acquiescence in its expressions of supremacy by the majority of the countries of the world, cannot but have an impact on international peace and security.

Second, and linked to the first new element, is the development of conventional weapons, including missiles, through the application of advanced technology and massive funding, converting these weapons into weapons of precision, more effective on the battleground than any WMD. Though the development and, indeed, the use of these weapons have so far been evident in actions under-taken by the US, most recently in its

Afghanistan campaign, it is also known that other countries, specifically China, have also been concentrating attention on the development of precision missiles.

The third "new" development has been the revelation, post 11 September 2001, of the global reach of terrorist groups, their access to the international financial system, their use of high tech means of communication and high tech management techniques using low-tech tools (RDX and other explosives, commercial airliners etc), their international networking and their possible access to WMD, either directly from States or through technological or material transfers. Given the fact that these groups are subject to no known laws, national or international, their emergence on the international scene has become a major threat to international peace and security.

International Responses

In this scenario, can one speak of international peace and security as an absolute objective or only the maintenance of a degree of stability in international relations? International reaction so far, has accepted the supremacy, 'indispensability' and leadership of the US. It has become inconceivable that any Treaty or, as in the case of small arms programme of action, could be adopted without the inclusion and support of the US. The present situation as regards the almost-agreed text of a verification protocol to the BTWC, is a case in point. In spite of some brave voices proposing an "Ottawa" approach (relating to the agreement on landmines, which the US and some other major countries refused to join) to the Protocol, it is generally understood and agreed that a legally binding international agreement would be ineffective

and empty, as it were, without the full participation of the US.

The reaction of major powers and power centres has been confused, if sometimes resentful. The majority of countries supported the US initiated resolution on terrorism, the Security Council, NATO even invoked the clause (V) in its Charter, accepting that the attack on the US on 11 September 2001, was an attack on all NATO countries yet, in the actual Afghanistan campaign, NATO played no role, though some members of NATO were permitted to play a marginal and follow-up role. The US, even at the height of its power, realising that it could not act or react in its "war on terrorism" alone, formally requested cooperation and support from some countries and forced cooperation or co-option in other cases, on terms and with the objectives, identified by the US. Individual countries, even in NATO, were approached on a bilateral basis, and responses, not only in the specific case of Afghanistan, but to the general power scenario described earlier, were and are still today, bilateral, even from China, Russia and India. It is true that the UN Security Council has set up a mechanism to collect and collate information on the implementation of resolution 1373, the Counter Terrorism Committee (CTC), headed by the UK, perhaps the closest ally and supporter of the US. Incidentally, this is the first time such a Committee has been chaired by a member of the P-5.

The other forums in the UN dealing with issues relating to international peace and security and arms control and disarmament are all but paralysed. The UN General Assembly has been sidelined, attempts to convene a meeting to deal with the current situation have come to naught,

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the Committee to draft a convention on terrorism is stalemated (not, I might add, because of the US) and the Conference of Disarmament has been unable to agree even on a programme of work since the beginning of 1997. While the mechanisms born of the traditional approaches to WMD and related international security issues are struggling to keep themselves relevant - the Ad Hoc Committee on BTWC, the NPT and CTBT Review Committees, for example - it is becoming increasingly clear that with a shift in the focus of threat perception, traditional approaches to WMD are proving inadequate and ineffectual.

At the moment, no alternative multilateral approach appears to be in sight. This, in my view, is not a situation conducive to international security as it has been understood so far by the international community, though, an albeit fragile, stability in international relations, might be said to have emerged. The outlines of the pattern are still blurred: national and regional tensions continue, and are being sought to be resolved within the unipolar scenario, though the UN and the EU continue their efforts in the Middle East. The bogey to "nuclear flashpoints", whether in the Middle East or in South Asia is being laid to rest, as it becomes evident to the world that the so called non-NPT nuclear weapon states are as responsible as the P-5, that they are mindful of the fact that their nuclear weapons cannot be used, not only because of adverse international reaction, but from a sense of self-preservation.

The Future

A major threat remains the acquisition of WMD by non-state actors, and there is no way to tackle this danger other than by active

international cooperation. A recognition of this fact is beginning to take shape in the international community.

All this is not to say that the "orthodox" approaches are off the table altogether. There is great concern, from different points of view, on the issue of missiles: the more traditional are still emphasising the controlled non-proliferation path, while others, perhaps with more justification, are concerned about the weaponisation of space - the NMD/TMD debate and the development of precision weapons, for example. It is my feeling that the NMD/TMD issue, presented as it usually is as a threat to international security, in reality hides the real fear of the supremacy of a single unilateralist State, with the capacity, as Paul Keating has recently pointed out, to cope with the burdens of "overstretch".

The future, even the short term, cannot be predicted with any certainty, nor can one seek viably, a prescriptive formula to deal with the situation. If one accepts that international and multilateral cooperation is the only way to cope with the dangers of the access to WMD by non-State actors, and that international relations need to be governed by the rule of law, multilaterally negotiated and voluntarily accepted universally, then, logically, ways will have to be found to keep the UN system alive. This could be achieved perhaps, in the transition, through norm-setting exercises which may be more acceptable to the US, than the present efforts to draft binding legislation.

There are no easy answers. It is accepted that the expression of power by a single state, however powerful, would require moderation, perhaps through the creation of a multi-centric, multi-polar situation.

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Unchecked power, whether in the hands of a single state or, more dangerously, in the hands of groups owing fealty to no one nation, cannot lead to a situation of international peace and security.

In the real world, equality in capability or parity in military strength is neither feasible nor practicable. To that extent asymmetry in power equations is inevitable. What is required, in my view, is, on the one hand, a foundation of law, universally applicable, as

the basis of international relations (I have opted for universality over equality, in this, as in other cases) and, on the other, the recognition that nation states will have to cooperate and act together to meet the challenges presented by terrorism and its perpetrators. Orthodox approaches, unilateralism in policies, even pure bilateralism and an ignoring of the realities of the threat perceptions of individual states may have to be modified, in this new world.

CHAIRMAN'S REMARKS

I thank you Ms Arundhati Ghose for summing up the issues very succinctly and for bringing together some very interesting ideas on development of the whole concept of multilateralism in international diplomacy; and in international disarmament arrangements in particular. There are enormous problems for the international community given the current reality of threat of terrorism and the ability to use some of these weapons of mass destruction for coercive purposes. This in fact predates the Bush era. In the year 2000, I was a Consultant to a group of governmental experts on conventional arms register who were tasked to develop and improve on the existing register. In the five weeks that the

25 governmental experts met in New York, no progress was made. The same is the case regarding the ad hoc group on biological weapons, which is attempting to work out some modalities of agreement on enforcement mechanisms. The challenges that it poses to the international community need to be seriously addressed.

Mr Haider Ali Balouji, who is from the Institute of International Politics and International Relations, Iran, will present the next paper. His Institute is a government foreign policy 'think tank', headed by the Deputy Foreign Minister himself. An eminent institution, we are happy to have one of their representatives here to present his paper.

SECOND SESSION : SECOND PAPER

HEIDAR ALI BALOUJI

In the modern history of war, weapons of mass destruction (nuclear, biological and chemical weapons) were the strongest instruments for the states to indicate their supremacy over enemies. Either the use or the threat of use of these destructive kinds of weapons was enough to force the other side to surrender. Modern history of warfare is full of such cases. During the Cold War the debate over weapons of mass destruction was a dominant theme of any security-related forum. Even after the end of the Cold War, the international community witnessed an increasing trend of controlling vis-a-vis proliferating and even threat of use these weapons. While in the 1990s several conventions and agreements were adopted in the international arena, a few states emerged armed with WMD.

There is a strong relationship and interaction between WMD and national, regional and international security, and since the greatest concern of any nation is security, they are careful and serious about their security in the above said levels. With respect to the positive or negative impacts of WMD on security, some competing opinions are expressed.

While some of the authorities in the governments and also some of the theoreticians and authors believe that WMD can help and strengthen security, for some others WMD poses a great threat to national security. This is a dilemma. One wonders which of these attitudes is close to reality?

Competing Ideas on the Role of WMD in Security

For most part of the later half of the Twentieth Century, the world lived under the

threat of nuclear, biological and chemical weapons, stemming from the competition and arms stand off between the Cold War superpowers.¹ Of course, this competition was not limited only to them or some other great powers, but most of the rival states at the regional level were attempting to attain a more powerful military status, especially by possessing WMD. The guiding concept for these states was deterrence, which involves a strategy of threatening punishment or denial to convince others that the costs of their anticipated action will outweigh the gains. The means by which states pursue policies of deterrence include increasing their general military capabilities and developing weapons of mass destruction.² Among these, nuclear weapons are the most effective instruments of deterrence. It also requires an operational force posture designed to demonstrate that the use of these weapons against their targets is credible. Of course, according to this concept, possession of weapons of mass destruction does not lead necessarily to war that indicates insecurity, its function is to prevent war because the consequences would be unbearable.

On the other hand, this concept is criticised by supporters of disarmament approach. Disarmament expects states to reduce the danger of war by such means as partial disarmament and security arrangements to avoid nuclear war and stabilisation of forces and weapons levels.³ In this sense, disarmament approach does not comprise the shortcomings in deterrence concept. Deterrence can lead to an arms race that does not have a limit, but disarmament by preventing an unwanted arms race helps lessen tensions and permits

investment in the social and economic sectors. So political, economic and social advantages of disarmament help to satisfy the new needs of states and consequently to strengthen national and regional security. Deterrence is focussed only on the military side of security, disarmament is compatible with the new dimensions of security.

Disarmament is an integral part of the efforts of the international community to enhance international peace and security and to cope with multiple challenges to stability, which most often manifest themselves in national conflicts.⁴ Deterrence is a military concern that regards the cooperation among nation-states impossible and so advises self-help, and armament is regarded as the only means of security. The agreements stating allegiance to disarmament and arms control indicate that cooperation is possible even in the military field. Disarmament is a part of cooperative security arrangement and hints that national security cannot be provided without considering the international environment in its different aspects.⁵ National security is indivisible from global security and it cannot be limited only to military problems. The non-military threats to security are no less important.

Experiences and Achievements

Among the achievements of arms control and disarmament process, we could place the regional arrangements. It has become increasingly apparent that regional insecurity can be a significant obstacle to disarmament. In fact it is the major cause of proliferation and consequent problems.

One of the important regional successes of disarmament, is the institution of Nuclear Weapon Free Zone (NWFZ) which

can be established on the basis of a country's initiative, approved by the United Nations General Assembly and endorsed by the relevant external states. This has been an important contribution to disarmament and, therefore, to international security.

In this way, the Treaty of Tlatelolco for a NWFZ in Latin America (1967) was the first effective step for regional treatment of nuclear weapons. Fortunately, the Treaty has set a pattern for other regions to follow. The Treaty has brought tangible security benefits to its state parties.

After the Treaty of Tlatelolco, three other Nuclear Weapon Free Zones have been established including the Treaty of Rarotonga in the South Pacific (1985), Treaty of Bangkok in South East Asia (1995) and Treaty of Pelindaba in Africa (1996). An evaluation of these regions in terms of security indicates an increased regional security and reduced danger of nuclear warfare. These treaties have also played a part in enhancing the international standing of the signatory regions beyond the issue of arms control itself. Moreover, they have provided an essential framework for nuclear transparency and cooperation within the region and outside.

In the regions without a Nuclear Weapon Free Zone, we observe a different picture. Regions like the Middle East, South Asia, Central Asia, Central Europe and the Korean Peninsula, whose security is important for the international community but have not agreed on a Nuclear Weapon Free Zone, lack of these mechanisms is complicating the security situation. This mechanism is vital for areas characterised by regional tensions and by the actual or suspected existence of nuclear capabilities.⁶ Where the problems of nuclear weapons

have been resolved, progress towards peace and security have been rapid and strong.

Now if the scope of Nuclear Weapon Free Zone mechanism is generalised either through inclusion of biological and chemical weapons (and then all the weapons of mass destruction), or the geographical scope is generalised to include all the regions, the achievements will be clear, which would be the prohibition of WMD in several aspects. Also, given the complementary feature of these regional mechanisms, a WMD Free Zone in every region equals global peace and security in the absence of WMD.

Conclusion

Deterrence as it existed during the Cold War, is no longer applicable. Further, deterrence as a strategic concept of the dominant level of international system, has been lowered down to the sub systems and even its features have been changed. As such deterrence has become minimal, even a hidden one at that.

We see a strong desire among nations; especially the strong ones to obtain more military power. These attempts are not based on need for deterrence capability. However, since the last decade, ethics has influenced international relations. Its emphasis is on avoiding resort to use of force, seek détente, security and confidence building measures, cooperation, peaceful settlement of disputes and dialogue. These factors weaken the deterrence context. In this way, international provisions of disarmament and arms control have improved through declarations, resolutions and conventions. A clear instance of these events was demonstrated in the 1990s during which several international

disarmament and arms control measures like the Chemical Weapons Convention (CWC), indefinite extension of the NPT and the CTBT were adopted.

By the beginning of the Twenty First Century, national security policy of most of the states is no more one-sided but is multi - dimensional, in the sense that they ignore WMD (as the military instrument of security) and rely on the non-military mechanisms like disarmament. This claim is not to reduce the importance of military assets *per se*. Security has attained new dimensions with developments in technology. WMD pose a serious threat to security. Even the nuclear weapon states have deep concerns for their own national security due to WMD based warfare and terrorism which are threatening international security.

A weapons of mass destruction free zone would be a great step towards global security.

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- 3 *Ibid.*, p. 216
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CHAIRMAN'S REMARKS

I thank Mr Balouji for a very interesting presentation. He has identified the mid 1990s to be the high point for disarmament. If one were to look at the disarmament treaties, essentially these reflect pursuit of some good and some bad agenda of a set of countries. Once completed in the late 1990s, there was a halt to all disarmament approaches. In this regard, the matter of nuclear weapon free zones (NWFZs) needs to be examined a bit more critically. Certain issues, however, have been raised that are worth reflecting upon.

I have great pleasure in inviting Ms Gao Junmin from the China Institute of International Strategic Studies (CISS). She has 25 years of experience in General Staff

Department, the Ministry of Defence, on issues of strategic planning and analysis. She has been attached to the office of the Military Attaché in Zaire, Congo. She retired a year ago as Senior Colonel of the PLA. The CISS is a think tank of the retired military officers of the PLA. Interestingly, in the last decade, the three Secretary Generals of the CISS have been Defence Attachés in Delhi. It was at the invitation of the current Chairman of the CISS, that an Indian military team went to China in 1991. That was the first move towards normalisation of military to military contact between the People's Republic of China and India after 1957. I have great pleasure in asking Ms Gao Junmin to present her paper.

SECOND SESSION : THIRD PAPER

GAO JUNMIN

The nuclear tests in the year 1998 by India and Pakistan and the Bush Administration's announcement of withdrawal from the Treaty on the Limitation of Anti-Ballistic Missile System (ABMT) on 13 December 2001, which helped the US to shake off the bonds of the international law restricting the American development of missile defense system, were the two major events marking the beginning of major setbacks to international arms control and disarmament. Consequently, non-proliferation suffered a heavy blow, resulting in both vertical and lateral proliferation of weapons of mass destruction (WMD), posing serious challenges to strategic stability and security in the world, and adding fresh dangers and complexity to the security situation in South Asia.

The Proliferation of Weapons of Mass Destruction

WMD constitute real threats and potential and fundamental challenges to the very existence and continuation of the civilisation. One of the basic principles of human society should be, and must be, the prevention of proliferation of WMD and their eventual and complete elimination. This is the need of the common interest of mankind and likewise the inevitable course of creating permanent peace.

With the end of Cold War upto 1996, arms control and disarmament achieved great success and a breakthrough was made almost every year,¹ resulting in the creation of favourable conditions for preventing proliferation of WMD. However, influenced by military becoming increasingly more important in national strategy, a trend of

opposing disarmament was set off in 1997. Since then, the prospect of international arms control and disarmament as well as the effectiveness of the signed treaties have been confronting serious challenges, thus increasing the danger of proliferation of WMD. The US, *inter alia*, has played a uniquely negative role in this.

(a) The American practices of pursuing foreign policies of promoting power politics and unilateral approach as well as its frequent use of military might against other countries and beefing up military strength have forced the other countries concerned to follow suit by strengthening their own military and increasing their Defence expenditure. As a result, the role of military factor on the international arena has been projected.

(b) The American policy of strengthening the strategic role of nuclear weapons as well as improving its superiority in arms have spurred some countries into seeking WMD so as to increase their clout in any potential confrontation.

(c) The double-standards adopted by the US in international arms control and disarmament² has paled the fair and rational nature of the international arms control mechanism, thus arousing extensive dissatisfaction, which is definitely not conducive to the prevention of proliferation of WMD.

(d) The upgradation of nuclear weapons capability and the development of missile defence system

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by the US reflects not only the improvement of the quality of nuclear weapons, that is vertical proliferation, but also the inevitable increase of WMD and their delivery systems known as lateral proliferation. The selling and joint research and development of anti-ballistic missile systems between the US and the other countries are, in fact, proliferation of dangerous military technology. It has no doubt increased the tendency of regional arms race and the lateral proliferation of WMD.

(e) America's withdrawal from the ABM Treaty is a heavy blow to international strategic stability and arms control. Despite its bilateral nature (between the US and the former Soviet Union), the ABMT is closely related to dozens of arms control treaties that involve global strategic stability and arms control mechanisms. America's withdrawal from the ABMT will throw a range of arms control treaties and international anti-proliferation regimes into crisis and increase the danger of weaponisation of the space. A few countries may use this as an excuse for their refusal to sign the NPT and the CTBT. The years of efforts in preventing the proliferation of nuclear weapons will go down the drain.

Nuclear Proliferation and Security in South Asia

South Asia is a strategically important region and also one of the unstable regions in the world today. Conflict between India and Pakistan is a major factor contributing to this uncertain and unstable security situation.

(a) The conflict between India and

Pakistan is an important factor with both countries possessing nuclear weapons as a result of fierce regional arms race. Nuclear weapons have enhanced the military power of both India and Pakistan. However, neither of the two, and India in particular, has been able to gain the expected superiority due to the escalation of arms race.

(b) In the short term, the possession of nuclear weapons capability by both countries might keep the conflict between India and Pakistan from escalating to a military confrontation of high-intensity. In the long run, nuclear arms race, the factor of international sanctions included, and conventional armament will no doubt increase the economic burden for India and Pakistan, and drag their economies down, thereby becoming the factor of destabilising their domestic, political situation, which in turn will intensify the conflict between them. The nuclear factor may make a military confrontation between India and Pakistan a disastrous one. The theory of crisis management has proved that quite a good number of crises and wars in history broke out due to accidental factors. In other words, the parties involved in these crises had no intention of starting those wars. Wars did break out due to wrong interaction of policies and actions and the catalytic role of various accidental factors.³

The choice of acquiring or seeking to acquire nuclear capabilities is unwise; it is more of a loss than a gain for both India and Pakistan. For sometime now, the major problem in preventing proliferation of WMD is the disparity between the unilateralist

policies of the US and the insufficiency of the balancing role of the international forces. India and Pakistan, and South Asia in general, should stand by the side of the forces that fight hegemonism, unilateralism, double standards and become a force for the solution of the problem rather than a part of the problem.

China's Related Policies

China has made unremitting efforts at, and an important contribution to, the prevention of proliferation of WMD and the promotion of the process of international arms control and disarmament. China has a declared policy of no-first use of nuclear weapons. It has undertaken not to use or threaten to use nuclear weapons against non-nuclear-weapon states. With regard to nuclear export, China has pursued a policy of not advocating, not encouraging and not being engaged in any proliferation. As of today, China has joined the NPT, signed the CTBT, verified the agreement on Nuclear Weapons Free Zone (NWFZ) and supported the International Atomic Energy Agency (IAEA) in its efforts to strengthen verification regimes. It has also verified the Chemical Weapons Convention (CWC) and supported the negotiations for a protocol regarding the Biological Weapons Convention (BWC). With the first signs of a nuclear race in South Asia, China, together with other countries pushed the UN Security Council to make an appropriate response. Through resolutions of the UN General Assembly, China worked with Russia and other countries to fight against the US policy of revising and withdrawing from the Anti-Ballistic Missile Treaty (ABMT) and has contributed to maintaining international arms control regimes and preventing the proliferation of WMD.

The Chinese Government favours that the international community push forward a fair, rational, comprehensive and balanced arms control and disarmament and strengthen the universality of international arms control treaties. Countries with the largest and the most advanced arsenal of conventional and nuclear weapons should take special responsibilities. A small number of countries should not impose arms reductions and non-proliferation on the vast developing countries while they seek absolute security through military superiority by virtue of their advanced military technology and economic strength. The existing discriminative and exclusive export control regimes should be thoroughly reformed. The big powers should foster confidence, coordinate their positions, strengthen cooperation, set an example and jointly maintain the authority of related international treaties and agreements.

China has consistently hoped that India and Pakistan resolve their problems in a fair, rational and peaceful way, and has worked positively to improve and strengthen its relations with the South Asian Region.

Notes

1. Bilaterally, the US and the former Soviet Union signed START I in 1991 and START II in 1993. The US and Russia issued a statement in 1997 claiming that they would sit down to talk about START III once START II entered into force. Multilaterally, progress was made regarding various arms control treaties. Breakthrough was possible on some issues, which were bogged down in endless arguments during the Cold War. The Chemical Weapons Convention (CWC) was concluded in

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1992 and was opened for signatures in 1993. It came into force in 1997. The CWC set a precedent for complete elimination of chemical weapons, and incorporated for the first time the verifying mechanism into a multilateral disarmament treaty. It played an exemplary role in the signing of the Biological Weapons Convention (BWC) and treaties banning other weapons. In 1995, the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) was indefinitely extended. The Comprehensive Test Ban Treaty (CTBT) was reached in 1996 and opened for signatures.

2. The first difference is that the standard adhered to by the US differs from what it requires from other countries. The real purpose of promoting arms control and disarmament is to control its rivals in developing armament and to ensure its superiority. If the US is unable to satisfy its own interests it will not hesitate to derail the process of international arms control and disarmament. The US had, for instance, refused to approve the CTBT when it deemed that the treaty was negatively impacting on the safety

and reliability of its nuclear arsenal. Another example is its withdrawal from the ABMT. The standards set for its allies and those for non-allies are different. For instance, on the nuclear issue, the US has not only remained quiet about Israel which is the only internationally known nuclear country in the Middle East, but has also offered Israel technical support. Japan has imported a great deal of plutonium and its storage has reached more than 50 tons. Japan can easily shift to production of nuclear weapons within a short period once it considers the time is right for it. The US strictly prohibits the transfer of sensitive technology to Pakistan and other Middle East countries, but it has been supplying missile technologies to Israel, South Korea and Taiwan.

3. To some extent, World War I, the 1962 Cuban Missile Crisis, the Middle East War of 1973 as well as the Malvinas (Falkland) War in the 1980s were all "unintentional wars" caused by factors such as wrong estimation of the situation, failure of constructive communication and contingency.

GENERAL DISCUSSIONS

Chairman's Remarks

We have had some excellent presentations on China's policy on weapons of mass destruction, different arms control and disarmament treaties and its position towards South Asia.

Colonel DN Madhok

My question is addressed to Ms Gao Junmin. You referred to the setback to disarmament because of nuclearisation of India and Pakistan. At what stage and how did China go nuclear? China too had some security concerns; how do you follow that one man's security concern is not another man's security concern? You also spoke of an Indo-Pak conflict affecting the security concerns of this area. In my view, China is fighting a proxy war with India through Pakistan.

Mr MV Rappai

The question is addressed to Ms Gao Junmin. A reference was made regarding America's decision to withdraw from the ABM Treaty. What would be the response of China? Would it favour developing more missiles like DF 31s and 41s? What in your perception is the future regarding weaponisation of space? Would China respond by initiating another treaty to prevent the weaponisation of space? Regarding reduction of weapons that you mentioned, a reduction from 7500 to 2200 nuclear weapons/warheads is of no consequence. Reductions will only make sense if there is a move towards total elimination of nuclear weapons.

Admiral Raja Menon (Retd)

The effect of going in for a National Missile Defence (NMD) is all pervasive. Most

people are in wonderment whether NMD would prove to be a shield or not. It may not become a shield but it is bound to affect India. This is because the power that acquires the NMD is bound to possess a first strike capability and would reduce the arsenal of the adversary to a level below the threshold of the NMD. Herein lies the danger. And we appreciate the danger which China has vis-à-vis the United States. For now the NMD threshold has been set up at 20. This is China's ICBM capability against the USA. In time to come, NMD would increase the possibility of first strike - there will be inducement to do this in times of political hostility.

India appreciates these security problems that China has. However, it would be interesting to know what China would do to appreciate India's concern. It is true that there is instability because of lack of talks between India and Pakistan. India has offered talks to Pakistan, but Pakistan has taken the stand that resolution of Kashmir issue has to be foremost. There is no dearth of efforts to solve the problems in Indo-Pak relations. The arrival of the TMD, which will take shape in a short time in the form of S-300 or S-400 Russian missile, will give one country a clear TMD capability. This would mean that the minimum threshold of either Pakistan or India would have to increase to remain minimum. What suggestion would you give to assuage our insecurity with an increase in your nuclear capability to cater for the NMD?

Dr K Santhanam

It is interesting that when the Pope has thrown out the Bible, there are others who have picked it up and are preaching it! While

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the USA has moved its priorities from proliferation to security of its national interests, we have countries that are still swearing by the NWFZ. Proliferation is one aspect that is led by the diplomats of every country. In other words that means the 'State Department' of every country. When it comes down to protection, people are much more realistic; and that is when the Pentagon in the US and the Ministries of Defence in other countries take over. How do you protect your assets when you are in another country and you are not sure whether they have nuclear weapons or not? This is pragmatism.

Selective proliferation has occurred in the past and continues even now. China went nuclear because of the unprecedented, enormous technological aid given by the former USSR. The UK became somewhat a partner after the Nassau Agreement. France went alone but later it did get assistance from the US. India seems to be the one country that has developed its nuclear capability indigenously. Two other kinds of selective proliferation are occurring. One is proliferation of WMD as a State policy. A Monterey Report has characterised China as the 'strategic proliferator'. Secondly, details of know-how about WMD have leaked because a poor nation wants to be economically well off. The indigent condition of the former USSR has led to a very wide surreptitious black market from which many countries go for purchase. This is the reality now, whether the NPT has been extended or not. Whether the CTBT gets signed or whether there would be any progress regarding the Fissile Material Cut-off Treaty (FMCT), when there is leakage of nuclear materials technology there are bound to be problems. What is required is a non-orthodox way of cooperating because it is difficult to trace organised crime, roots of terrorism and

so on. Pakistan does not require missiles to deliver an attack on an adversary. What we need is real time information such that some amount of preventive action can be taken.

Ms Gao Junmin

Regarding the US decision to withdraw from the ABM Treaty and Chinese response, I shall speak for myself. We have worked with Russia and many other countries to persuade the US against this withdrawal. Regretfully, we failed because US had made up its mind that it wanted to withdraw. Further, the treaty is a bilateral one. China is not a party to that treaty and cannot interfere. The US has been maintaining double standards. Once it considers that a treaty is in its interest, it will ask the other countries to follow; once it feels it is contrary to its interests, it will not care for other's interests. Every country has its own security concerns, interests and strategy. But no country has the right to put its own interests above those of the others.

As far as I am concerned, China should not enter any arms race. Arms race wrecked the economy of the Soviet Union and caused its demise. China's main objective is its economic construction and modernisation. To enter any arms race would be unwise. But China should do something. If the Chinese have limited ballistic missile defence it will give China a second strike capability. This would be for the best.

It is debated in India that India's nuclear programme is on account of China. We on the contrary do not consider China as an enemy or a threat to India. India's perception of China's nuclear programme thus is unclear. It has been argued that while many nuclear nations have taken to reducing their nuclear weapons, China was moving away

from it. It is natural for any country to have a military build up with development of their economy. We do not consider India as our enemy and neither should India consider China her enemy.

There was a time when China was not in a conducive environment, with the US, Russia, and the Taiwan problems. It was in this environment that Mao Tse Tung suggested a breach in the nuclear blackmail of the United States. Without such a nuclear power capability, international community would not heed to what the Chinese say. When the P-5 agreed to the determination of their will to eliminate nuclear weapons, it was suggested that the US and the (former) Soviet Union take the lead. It would not be wise for India or Pakistan to go on with the nuclear weapons programme when other nations are moving towards economic restructuring.

Mr Heidar Balouji

I look at disarmament as a process that began even before the Twentieth Century. One cannot expect to have a very concrete product in the very near future, within a short period. Except for the periods of severe Cold War, in periods of détente it is tangible and possible to get to be progressive. Hence, we can expect NWFZs in future. In my perception, in terms of security, the so-called pragmatism or deterrence cannot increase security. The nuclear tests by India and Pakistan in 1998 proved that security of South Asian region was in no way increased but reduced. In fact the Kargil crisis was an indirect product of the 1998 nuclear tests.

According to Dr Amin Qazi, an expert at the Monterey Institute, a nuclear bomb for a developing country would equal more than 15 years on their development. The

developing countries must avoid following the footsteps of the big powers.

Ms Arundhati Ghose

I appreciate reductions if they take place at any stage. There is likelihood that it will be formalised. Earlier, the agreement was purely verbal and unilateral. Now at President Putin's insistence, the Americans have agreed to formalise it. But on the matter of irreversibility, they have not agreed.

This brings me to the point made by Ms Junmin about the P5 saying that they desired elimination of nuclear weapons. I have been personally told by her colleagues that in no way those who had nuclear weapons in 1997 were ever going to talk about such elimination, whatever be the conditions they place on it. Thus, it seems to me that with all these discussions we are in an unreal world. What is real is that there are countries with nuclear weapons.

Further, I am unaware that the 1998 nuclear tests by India and Pakistan led to Kargil war. The possession of nuclear weapons for security reasons was spelt out extremely clearly. It is not a question of whether China is an enemy or that India is an enemy of China. But when any country has a threat perception from a weapon system to its security interests it has to take measures to protect itself. Especially so when the country is the size of India. India was threatened by nuclear weapons in 1971. Pakistan and China have nuclear weapons. It is not to say that they are enemies but when India is in the midst of this environment it is bound to seek protection. Regarding NMD, China does feel its security is at stake and does take certain actions. India is in the same position; not vis-à-vis just China but other countries as well. An understanding of

the security requirements of each country is vital.

Ms Gao Junmin

Regarding the comment that China is waging a proxy war against India through Pakistan, China has advocated that we are helping Pakistan with their nuclear programme for peaceful use. The United States has given nuclear technologies to Pakistan. Our government is doing the investigations; perhaps there is a small company that is not under government control, and does the business. Now with the development in economy, people are more profit oriented. That is not the government policy. The Chinese government is investigating this aspect and is very serious about not selling nuclear technology forbidden by the treaty.

Dr K Santhanam

The comment is for the Iranian representative. If Iran is developing the Shahab3 missiles with a range of around 2000 kms, it is obvious that it would require nuclear warheads. Iran may as well have it and then may be Israel may behave properly with Iran instead of espousing the cause of NWFZ and so on. I completely agree with Ms Junmin's statement that profit is the criteria for business – for money some company has exported 5000 ring magnets to Pakistan. For money technologies are being exported.

Mr C K Lal

Negative assurances have to be given by the P-5. In case of a refusal no nation would agree to a NWFZ. The dilemma is how to prepare checks and balances so that these weapons are not used for mass destruction. Ambassador Ghose mentioned that India has been practicing multilateralism.

In my view India has been practicing bilateralism in the neighbourhood and multilateralism on the international fora. The other way round may be a better option.

Lieutenant Colonel A Bhatt, VSM (Retd)

Ms Junmin laid great stress on China's aims for maintaining peace and stability in the region. What about the reports about Chinese support to Pakistan in conventional and nuclear weapons programme fully aware that they are meant against India. General Musharraf often visits China for what is reportedly requests for arms.

With regard to Mr Balouji's observation that Kargil crisis was an indirect product of the 1998 nuclear tests by India and Pakistan, I wish to say that Pakistan began its preparation for Kargil much before India's nuclear tests of 1998.

Lieutenant General V K Nayar, PVSM, SM (Retd)

While everyone will endeavour to possess nuclear weapons and other WMD, these are unlikely to be used by a state against a state. There is a bigger danger of these being passed on to non-state actors. This is the danger particularly facing South Asia, because we are going through a phase where the non state actors today are also dictating how states behave. It is not out of willingness that Pakistan has agreed to join this battle against terrorism; it is not out of a well-conceived policy that India suddenly finds this initiative to fight terrorism taken by the USA. It is the *real* danger as to what this terrorism and its various manifestations have for this region. How do we go about having some kind of a regional understanding to tackle this malaise?

Mr MV Rappai

What is the Chinese attitude to weaponisation of Space?

Ms Gao Junmin

We are against it. This is the reason why we with some other nations are against the missiles programme of the United States which could lead to an arms race in Space. Regarding nuclear exports, China has pursued a policy of not advocating, not encouraging and not engaging in any proliferation.

India's nuclear programme, it has been argued here, is not against China, Pakistan or any other country but is in national interest. This is understandable as China's development of her nuclear weapons was in national interest. The whole world is not the same. When the Nuclear Non Proliferation Treaty was signed, the P-5 had agreed for the eventual elimination of nuclear weapons. Some progress has been made through the START Treaties. It would not be ideal for India and Pakistan to develop nuclear weapons in this situation. It may lead to some other countries also developing their nuclear capabilities.

Mr Heidar Balouji

In my perception, missiles are in the category of conventional weapons as distinct from the WMD. When I say that such weapons are not beneficial to developing countries, I am not convinced of the role of nuclear weapons and other WMD in enhancing national security. Further, the initiative for nuclear weapon free zones should come from not the regional but external nuclear weapon states who should give positive and negative security assurances.

It is also my impression that Nawaz Sharif was not so much a hardliner as the militarymen of Pakistan are. The latter felt that Nawaz Sharif was wary of nuclear

strength of India. It seemed as if Sharif was giving more advantages to India. This in my view made the militarymen push Nawaz Sharif out of power.

Ms Arundhati Ghose

I think one needs to explain a point of view. One needs to explain why Kargil is or is not related to the nuclear explosions. It is true that some kind of universal norms or checks are required on the use of nuclear weapons. Some kind of multilateral cooperation to prevent the technology and material falling into the hands of non state actors is also required. For now, there does not seem to be a viable forum where one can do this. An option may be to have groups of countries with like concerns, to get together to set some laws for checking the use of nuclear weapons. Regardless of what the United States may believe, it is my belief that no state would use nuclear weapons in battle. The danger lies in the transfer of technology or material to a non state actor who may use it in a crude form. However, I am not certain as to which countries would agree to cooperate in this matter. This needs some attention, some initiative at an informal level and then take it to a more formal level by interacting with smaller groups of countries who could talk about these threats.

I have had the experience of dealing with both Nepal and Bangladesh. Nepal seems to have judged India through Bihar or UP. They did not consider Tamil Nadu or Kerala as even part of India. In the Indian Embassy in Bangladesh, the Delhi newspapers were not even read in the reading rooms. The Calcutta newspapers were in demand. Bilateral relations come about when there is close interaction between the people on the borders or across the borders. The issues that come up are

totally bilateral. SAARC may work in certain areas of international relations but not across the board. Across the board, if Bangladesh has some problem with India on a particular issue, it can only be sorted out between this country and Bangladesh – or maybe this country and the Government of that State. It is not that we work together multilaterally in the UN fora. We worked closely with the Pakistanis on commercial issues in the WTO as also with the other developing countries. Usually, India in the past would be left holding the can for everybody else. India has learnt its lesson and has now learnt to put forth its interest as priority and welcomes other countries to join it or not join it in the endeavours. To that extent, Mr Haq was right, India has gone unilateral. Our experience with multilateralism be it the Uruguay round negotiations or in the Comprehensive Test Ban Treaty negotiations is that India is always left alone.

The question of rising arms expenditure - the highest rise has been \$48 bn asked by and given by the Senate to the US administration - which is more than the GNP of many a state. It is indeed a cause for concern. But in each country's case there is a reason for such a rise. India and China opposed the weaponisation of Outer Space in the Conference on Disarmament. Earlier it was the issue of nuclear disarmament. There is a standoff because of the US refusal to discuss the weaponisation of Space. We will certainly not discuss the rising arms expenses at any forum. Multilateralism comes where the interests coincide.

Dr K Santhanam

Both China and India have stressed on no first use of nuclear weapons. Ms Junmin's statement that national security interests decide the Chinese as also the

Indian nuclear weapon programme, is appreciated. China's no first use policy came into being in 1964 and 34 years later there is a slight refinement made to the same by India. Ms Junmin also stressed on China's interests in economic development to be an economic power. But for economic development India needs a *secure* environment.

The USA is not revealing all information on terrorism that it has acquired; not even to NATO. When Mr B Raman Director, Institute for Topical Studies, Chennai presented a paper in Kaula Lampur, on the countries in which the Al Queda network was active, the Australians wished to have the paper. They stated that the only information they had on the Al Queda network and operations was what the Americans gave. And that was only one per cent of what was presented in B Raman's paper.

There are reasons why the US is not giving away all the information. The Colombian Broadcasting System (CBS) showed a programme on 18 December 2001 titled 'Merchants of Mass Destruction' which showed Osama's network operating with money available through drug trade which in turn has links with organised crime including syndicates of Asia. Amongst other things a reference is made to FATA (Federally Administered Tribal Areas of Pakistan). This is a lawless area where anybody could move in and out and get anything that is required – be it biological, chemical or nuclear weapons. The ease with which nuclear weapons could be obtained, though not immediately, is reflected in CBS's Tim Sebastian's interview with Afridi, who was once very closely associated with Gulbuddin Hekmatyar and the southern part of the Western Alliance led by the USA. Also

shown in this programme is that the American operations liquidated a part of what was a Sarin manufacturing plant at Tora Bora. It had a storage of five tonnes of Sarin. When two Italian reporters went there to cover the story, they were assassinated. The CBS reporters go to the forward areas by courtesy of some of the warlords. They enter a zone where the foreigners normally do not enter – a board stating this is shown – and by paying in terms of stone or coral as a deposit, the reporters come back to the hotel with a vial containing what is reportedly the world's most deadly poison, to use the phrase of the vendor in Afghanistan. This vial is then shown to two experts – a biological warfare specialist of the US at the time of its biological warfare programme and a specialist from Moscow who was part of the Soviet biological warfare programme. Their verdict is that the double seal on the vial shows that it could be a biological warfare agent. When it is double sealed it is part of weaponisation of biological agents. The comment from the American expert is that it is worrying and brings back memories of the 'Red Flag'. Detailed research including field visits and analysis by experts involved in chemical and biological warfare programme in the USA and Russia indicate that Osama had chemical and biological agents. In one of the quick shots in this programme a suitcase bomb is announced and shown. The route taken for smuggling is from Ukraine via Tajikistan into Afghanistan and moves wherever it has to go. Money is available and the intent is clear – the buyer is available; the search is for a seller of these items. The "discrete" set of sellers are people who have access to these arsenals of the former Soviet Union. This is one of the tragic fallouts of the break up of the Soviet Union.

The fact that Osama has been interested in nuclear materials is known; two Pakistani nuclear scientists – Bashiruddin Choudhri and Abdul Wahid – were picked up and detained and put through intensive questioning by the Americans when the Coalition war against Afghanistan commenced. Choudhri is an active participant of the Pakistan-Afghanistan Defence Council surrounded by religious leaders and various organisations. He was also the boss of A Q Khan, the Father of Pakistan's nuclear bomb, when the latter came to Pakistan in 1976. Bashiruddin is a very respected scientist.

The fact that these two scientists were strong sympathisers with of terrorist cause and that they met Mullah Omar in Afghanistan, have come in a US documentary, speak for themselves. Such matters are of concern. Senator Nunn was concerned about such a leakage of material and nuclear engineers from the Soviet Union. He moved an amendment under which \$350 million was set aside for creation of an institute where Soviet nuclear scientists could work on peaceful programmes.

Now the European Union is putting together a \$500 to 750 million programme to ensure that this knowledge that is available does not leak and go the wrong way.

Chairman's Remarks

I would like to make an observation regarding Ms Junmin's statement on nuclear proliferation. If there is an iniquitous arrangement globally allowing certain countries to possess nuclear capability in perpetuity and deny other countries then a system of iniquity in international relations

Weapons of Mass Destruction, Missiles, NMD/TMD and International Security

gets institutionalised. Given the security requirements of each country as perceived by them they shall decide their options, unless global norms are laid down that are applicable to all – followed and implemented within the ambit of international laws. As late as 2000, due to enormous pressure from other countries the nuclear weapon powers agreed in principle to do away with nuclear weapons minus safeguards, guarantees and commitments.

The Ottawa process will not work except on peripheral conventional weapons issues. It might work regarding small arms issues. Even in this, all that has been achieved globally is an agreed UN Programme of Action. Even this was decided upon unilaterally though it had the general support of the concerned participants. There have to be new approaches to such critical issues of immediate concern to have a more secure world.

ECONOMIC COOPERATION IN SOUTH AND SOUTH EAST ASIA

THIRD SESSION

Chairman : **Dr VLB Mendis**

First Paper : Major General Syed M Ibrahim (Retd)

Second Paper : Mr Sanjaya Baru

Third Paper : Mr CK Lal

THIRD SESSION

LIEUTENANT GENERAL SATISH NAMBIAR, PVSM, AVSM, Vrc (RETD)

DIRECTOR USI

It gives me great pleasure to welcome you to the last session of the joint USI-FES Seminar on 'Economic Cooperation in South and South East Asia'. Dr V L B Mendis, Director General of the Bandaranaike International Diplomatic Training Institute, Sri Lanka will preside over this session. He has the distinction of being appointed to the first batch of the Sri Lankan Foreign Service in

1949. He has been the High Commissioner to Canada and UK, Ambassador to France, Sri Lanka's Permanent Representative to the UNESCO and also served as UNESCO's Permanent Representative to Egypt. From 1990 to 1991, he was Fellow of the US Institute of Peace. He has authored numerous books on history and international affairs.

CHAIRMAN'S REMARKS

DR VLB MENDIS

May I say how greatly honoured I am to have been chosen to preside over this session. The focus of the two previous sessions of this seminar has been 'Security'. The more obvious and conventional connotations of security, ie the political and military aspects, were discussed therein. One must not, however, lose focus on the fact that the subject of the seminar is security environment in *South Asia*. During the Cold War period, a certain military orientation was given to relations between countries. But, somehow, we have misunderstood the situation. Weapons are important but so are matters of poverty, hunger and misery which are around us. The dilemma lies in deciding which one of these is more of a security threat than the other. The world has moved from empires to the rule of the Big Powers. The year 1945 witnessed the birth of a new world of 180 sovereign states with a commitment to the United Nations' Charter. Without procrastination, the UN is witnessing a new dimension being given to the concept of security with the *people* in mind. And economic security has an overshadowing importance. A classic case where this is predominant is the South Asian region. The political culture of the past no doubt overshadows the military factor in this region. But it must be remembered that one fifth of world's humanity lives in this part of the world, in this area. And, apart from Africa, this region is replete with economic depredation. By dealing with this subject in this session we make a statement that military will have to give way to the more important factor, and that is the economic factor.

Regarding the character of Southern Asia, one is generally accustomed to think in terms of South and South East Asia. Despite being a part of the whole that is referred to as 'Asia' each of these regions portray distinct attributes. South East Asia includes countries that are of near similar size, mostly looking like large archipelagos. They have an impressive record of governance and economy and portray special attributes that are distinct not only in their physical character or their history but also their achievements. South Asia is normally associated with asymmetry vis-a-vis the dominance of India in this region. This does not suggest in any way that India plays a hegemonic role; India naturally has an overshadowing role. There is one common feature between these two regions, and that is the economic problems affecting the livelihood of people of both regions.

The distinction between these two regions is a relatively recent phenomenon. With independence, each of them has been attempting to live up to their basic objectives. Though they functioned in their individual capacities they also had a common awareness. Nehru had visualised what the agenda should be for these countries in the future and he sought their coming together. The Commonwealth Foreign Minister's Conference in January 1950 was the first inkling one had of the concept of economic cooperation. It was here that the Colombo Plan was born. The Plan was in many ways ahead of its time. It expected the countries to pool their resources, which included technical and personnel exchanges. The

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Colombo Plan lasts to this day. The year 1950 onwards, the evolution and patterns of this country began to take a different political turn. The year 1953 saw the launching of the Colombo Pulse, and 1961 saw the Non Aligned Movement (NAM) take a new direction.

The NAM decided to play a mediatory role in the international scene. The fifth NAM Summit in Colombo in 1976 was unique for its economic aspirations. A NAM Bank was planned. NAM had a focused outlook. Apart from a mediatory role, they also wished to contribute to international peace and security. At the same time they had an India vision. This is the background to the crucial Treaty of Rome of 1957. This Treaty launched a common European market. The European community symbolises a near 'supra state'; they represented the world of power politics when it seemed to have actually been abandoned. The European Union, which is a contemporary event, had taken steps towards a union in 1957. And from then onwards the world did take a new course – that of 'regenerism'. In 1963 came the OAU(Organisation of African Unity); then came the Organisation of American States (OAS); the CARICOM (Caribbean Community and Common Market); the Economic Community of West African States (ECOWAS) and so on. In 1967, came the ASEAN. The origins of ASEAN are linked with the last stage of the Cold War. In 1976, the Pan Islamic aspect came in the ASEAN Charter. Once ASEAN was in the picture, SAARC, which was created in 1980, was the logical step for South Asia. SAARC was launched with a great amount of optimism. But it had two reservations – a policy of non-interference in the internal affairs and inter-state affairs.

Geographical areas have begun to think in terms of communities. And the prime concern in all such community groupings is the economic factor. The subject of this session suggests that we make an appraisal of these organisations, which are designed for the purpose of promoting economic cooperation. SAARC and ASEAN are examples of this new dimension in relations between the Asian countries. We are at a stage where we have to appraise economic cooperation in terms of performance of these two organisations.

SAARC's objective was self-evident. Of late, Prime Minister Vajpayee emphasised that the purpose of this organisation was the economic factor though the political roles are not excluded as such. SAARC has made an honest attempt and SAFTA (South Asian Free Trade Area) has been a significant achievement.

SAARC is facing certain problems at the political level which could be due to the impact of inter state difficulties as between India and Pakistan. However, SAARC appears to be facing a kind of crisis and it is hoped these can be overcome. The Indian Prime Minister feels that economics should be the exclusive focus of SAARC. Other members do not think so. They feel that it should serve a wider purpose.

ASEAN represents countries which were in their own way relatively very well advanced. ASEAN Charter has laid down the objectives as follows:-

The 1976 ASEAN ... provided for inter alia economic cooperation in trade and industrial development, banking and finance, food and energy, tourism and transport; external economic diplomacy ...

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The Charter is very ambitious and the accent in the ASEAN concord is basically on economic cooperation. The history of ASEAN has been marked by an endeavour to attain a number of objectives that are laid down in the ASEAN Free Trade Area comparable to the SAFTA. The former has not been much of a success. In many ways because of the individual standards of the countries concerned they were better qualified than the SAARC countries to undertake such an ambitious programme.

There are industrial projects that the ASEAN countries are doing together. There are a number of other initiatives which can be termed growth triangles or linkages. ASEAN continues to explore new avenues not only through their free trade area but also through linkages between the countries concerned and linkages with outsiders like the NAFTA. ASEAN was one of the founders of the APEC. Up to now the record of the ASEAN has been very impressive. But this should not make us despair about SAARC which has its problems.

With this backdrop we take up what is to be discussed today, that is 'Economic Cooperation in South and South East Asia'. Meaningful steps have been taken; SAARC

is endeavouring to keep up to its objectives and ASEAN, with the declaration of Free Trade Area, has got moulded into a new perspective.

There is a degree of skepticism in the perception of some that the 1998 nuclear tests may negate whatever the two organisations were attempting to do. Much will depend on the performance of both and how well they are accepted in international politics at large. ASEAN's image seems to be brighter.

Today we discuss in terms of economic development in this part of the region in terms of SAARC and ASEAN. There are many challenges thrown at both and the region as such in terms of globalisation, the WTO and so on. Our distinguished panelists will develop on these aspects and provide some constructive suggestions. There is an expansion of membership in both ASEAN and SAARC. The former has Cambodia joining them and the number of members has risen to twelve. SAARC is establishing linkages indicating that both are not confined to their earlier structure but are looking outwards. And in this linkage the European Union, very appropriately, is playing a very important role.

THIRD SESSION : FIRST PAPER

MAJOR GENERAL SYED MUHAMMAD IBRAHIM, BP (RETD)

Nature and exercise of power by nations and states are changing dramatically as 'low politics', economic, ethical and ecology related matters are taking over from 'high politics' matters involving potential use of conventional military forces and weapons. Economic power had long been accepted as one of the important sinews of war but of late it is regaining its importance as traditional mode of warfare gradually peters out.

The motives behind the terrorist attacks on 11 September 2001 were different from the international, or singularly the US, motives behind the war in Afghanistan. In both cases, however, there is a link with economic interest. Taliban did not appear to be a major threat to the US or to the international community till 11 September 2001. Once your interests are hit you are forced to react.

In South Asia, relationships between various countries are defined within dissimilar parameters. In my view Kashmir and nuclear weapons dominate India-Pakistan relations. Bangladesh-India relationship is dominated by incidences in the border areas and the unbelievably unbalanced trade relationship. India-Sri Lanka relationship hinges on trade and the Tamil issue, whereas Bangladesh-Sri Lanka relationship is dominated by trade. Therefore, threats to the security of individual South Asian states are different in each case.

We do not envisage India suddenly sending in half of its Army to occupy whole or half the territory of Bangladesh. We neither envisage Pakistan sending in a dozen aircraft carrying hundreds of paratroopers to take

over part of Bangladesh. We are not worried so much about the Maoist guerillas of Nepal as much as we are worried about Himalayan snow melting unduly to cause a flood in deltaic Bangladesh. Governments are ill equipped to monitor non-military threats to security. And, among the non-military threats economic threat is the most important. Coupled with the efforts of the civil society, governments may monitor economic aspect of security. The onus remains on the academic world or civil society to keep this in focus.

It is arguable whether South Asia is a region or not. I for one not only believe but also feel it to be a region. I also feel security of states within South Asia (i.e. intra-regional) are dominated by India-Pakistan relationship. The concern of other states seem to be marginalised. This is true also in respect of economic security or economic cooperation. If all states of South Asia can play their respective roles in economic cooperation, economic insecurity is likely to diminish. Economic power is related to geography, population, level of education, level of technological advancement, size of the market and purchasing power of the people. In this regard among the South Asian states India is the largest and the mightiest closely followed by Pakistan. The region being Indo-centric, economic activities are also Indo-centric. We have to keep that in mind while proposing any argument, suggestion or reform. If we are to prosper as a region we have to do couple of things simultaneously. Firstly, rationalise trade relations among South Asian states. Secondly, reduce dependence on trade with other countries. Thirdly, build up

confidence and trust among the trading or business communities of these countries. In other words, South Asia can become the first market for the South Asian goods or commodities; goods of other countries should be second priority. However, ground reality is different. Here comes the question of subtle motivation of the communities and people by the government. South Asia's political leaders have made efforts to find out avenues or modalities of economic cooperation between their countries.

SAARC

Bangladesh took the lead in initiating SAARC. It will be wrong to condemn SAARC as a failure. For example, it has made efforts to focus attention on the shared problems of the region by declaring special thematic years, like :-

- (a) Year for Combating Drug Abuse and Drug Trafficking (1989).
- (b) Year of the Girl Child (1990).
- (c) Year of the Shelter (1991).
- (d) Year of Environment (1992).
- (e) Year of Disabled Person (1993).
- (f) Year of the Youth (1994).
- (g) Year of Poverty Eradication (1995).
- (h) Year of Literacy (1996).

However, it has not succeeded in achieving what it should have achieved. It is worthwhile to review what it was supposed to be and what it has been. The aims and objectives of SAARC can be summarised as follows :-

- (a) SAARC had been conceived by the founding fathers essentially as an

economic organisation. Politics, international politics or bilateral matters were kept out of its ambit.

- (b) Its objectives are modest and have been defined in very general terms.

- (c) SAARC's decision making process, funding arrangements, restrictions on deliberations and contact and cooperation with foreign governments and international organisations reflect the attitude of member states about its role and functions.

As in 2002 the difficulties, or challenges faced by SAARC can be summarised as follows:-

- (a) Given the relationship between India and Pakistan and other considerations (political, security-wise and the basic lack of convergence of national goals and aspirations), the bigger member states do not share a common vision of the region and the role for SAARC.

- (b) The Eleventh Summit held recently in Kathmandu was delayed by more than two years because one member country felt unable to sit on the same table with the leader of another member country. Clearly the consideration was political. Previously, in 1990 and in 1992, SAARC Summits could not be held in time on similar grounds.

- (c) The well entrenched policy of bilateralism of the biggest country in the region is not always compatible with regional issues (operation of SAARC, SAPTA, Food Security arrangements etc.).

- (d) Constant apprehension of some countries about domination of the

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organisation by a member country by virtue of its sheer size, military, and economic strength and the centrality of its geographical position also militates against the SAARC process.

The perception about SAARC in the minds of observers can be summarised in the following words :-

(a) There is a generally held view that the high expectations and widespread interest and enthusiasm generated by the launching of SAARC in Dhaka in 1985 have not been matched by the achievements to its credit so far.

(b) Cooperation among member states in economic, social and other fields has been modest.

(c) IPA, which provides the core element of cooperation, is confined to holding seminars and training programmes and exchanging information on rather low priority issues. The activities lack regional focus and are not geared to exploit complementarities in the region.

(d) Even after several rounds of talks SAPTA has produced little results.

(e) Industry, finance and investment, which are key issues in any regional economic arrangement, remain basically outside the scope of SAARC activities.

(f) There is hardly any project or major activity, which has a regional coverage or has been conceptualised, funded or made operational by SAARC.

(g) Occasions have been few when SAARC has presented a common position on issues of regional interest in any international forum.

(h) Last but not the least, SAARC process has not been able to promote trust and confidence or peace and stability in the region.

(j) Restrictive nature of SAARC agenda, decision making procedure and a very weak and powerless Secretariat which is the only regional institution (others are inter governmental bodies) serve as serious handicaps to the growth of the organisation.

Politicians and intellectuals in all SAARC countries, however, are aware of the challenges being faced by SAARC. Therefore, it is a constant exercise to work out the remedial measures. These can be summarised as follows :-

(a) Experience elsewhere suggests that an economic co-operation arrangement has a better chance of success if it covers a broad agenda. It has been pointed out earlier that even the economic and social agenda of SAARC is limited in nature. Therefore, SAARC agenda may be broadened.

(b) Then again, even though both the EEC and ASEAN initially focussed on economic integration they gradually moved to issues which help promote trust and confidence among member states. Over time, both the organisations widened their remit to cover political, security and external policy issues as well. In case of SAARC this did not happen. This is an area to work on.

(c) SAARC may take up in earnest the decision of the Ninth Male Summit to initiate a process of informal political consultations towards relieving tensions and building confidence in the region. These consultations may take place informally outside SAARC.

(d) SAARC may initiate some high profile flagship projects in certain priority areas for the region as a whole, such as energy, development and networking of roads, railways, ports, co-operation in environment and pollution control.

(e) South Asia should try to make use of its strategic location as the land bridge between South East Asia, the Middle East and Central Asia.

(f) Most SAARC countries spend huge amounts in importing oil, machineries, transport equipments, food and the state of the art technology. Joint ventures to promote production and development of these items and establishment and operation of some institutions of excellence with the help of expatriate South Asians, where necessary, will surely make SAARC useful and attractive.

(g) South Asia is short of funds and support and co-operation of international financial institutions, foreign private investors in the above mentioned projects may provide not only the much needed financial resources but technical and other inputs as well. Member states themselves should commit adequate funds for the purpose and equally important create enabling environment to attract investments.

(h) SAARC process cannot be strengthened without effective institutional support base. This is the lesson of Europe and elsewhere. The SAARC Secretary General should have the authority for the following :-

- (i) To initiate studies and proposals.
- (ii) To execute policy.

(iii) To ensure that decisions and commitments made at intergovernmental levels are adhered to.

The situation is not all that hopeless. The Heads of the Government have given a sense of direction recently. I quote from the Eleventh SAARC Summit declaration :

"Cooperation in the Economic Sector

Heads of State or Government agreed to accelerate cooperation in the core areas of trade, finance and investment to realize the goal of an integrated South Asian economy in a step-by-step manner. They expressed their determination to make the full use of regional synergy to maximize the benefits of globalization and liberalization and to minimize their negative impacts on the region. While recognizing that trade and economic expansion is closely inter-linked, the Leaders made a commitment to widen and deepen the scope of regional networks of activities in trade and financial matters.

The Heads of State or Government noted with satisfaction the outcomes of the successive meetings of the SAARC Commerce Ministers aimed at enlarging the scope of cooperation in the core areas. They recognize the importance of achieving a free trade area and reaffirmed that the treaty regime for creating a free trade area must incorporate, inter alia, binding timeframes for freeing trade, measures to facilitate trade and provisions to ensure an equitable distribution of benefits of trade to all states, especially for small and least developed countries, including mechanism for compensation of revenue loss.

Recognizing the need to move quickly towards a South Asian Free Trade area, the Heads of State or Government directed the Council of Ministers to finalize the text of Draft Treaty Framework by the end of

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2002. They also directed that in moving towards the goal of SAFTA, the Member States expedite action to remove tariff and non-tariff barriers and structural impediments to free trade. They also instructed to conclude the meeting of the Inter Governmental Group on Trade Liberalization for the Fourth Round of Trade Negotiations under SAPTA as early as possible as per the decision of the Tenth SAARC Summit in Colombo.

The Heads of State or Government renewed their commitment to encourage the participation of the private sector and assured their full support for their socially responsible economic initiatives. While welcoming the practice of holding trade fairs in cooperation with the private sector at the regional level, they appreciated the efforts of the SAARC Chamber of Commerce and Industry to promote regional economic cooperation in the spirit of public and private sector partnership.

The Heads of State or Government also decided to instruct the Secretary-General to facilitate an early finalization of a regionally agreed investment framework to meet investment needs to the SAARC Member States.

The Heads of State or Government recognize the immense tourism potential of South Asia and underlined the need to take measures to promote South Asia as a common tourist destination through joint efforts in areas such as upgrading of infrastructure, air linkages, simplification and harmonization of administrative procedures and training and joint marketing."^{*}

Economic Cooperation in Some Regional Groups

The plight of the South Asian economy is that it is neither internally cohesive nor externally conducive. Understandably, a low level of economic interaction among the South Asian countries with certain exceptions to Indo-Nepal trade, remains a problem area in the process of economic cooperation. Partly because the economies of the region are mutually competitive rather than complimentary, partly because of the fear of Indian domination and destabilisation of their indigenous economies, cooperation remains a cliché in the region. No country in South Asia would like to lose their economic autonomy in the absence of the rate of returns that the potentiality of cooperation bear. The patterns of economic interaction of the past four decades suggest that India's share in South Asian trade fluctuated between one to two per cent of its total trade; its investment revolved around 1 per cent and economic assistance remained concentrated in Bhutan compared to its previous favourites Nepal and Bangladesh. Rarely are other South Asian countries trading with each other. The point to remember here is that they are still marginalised countries in South Asia and are continuing their search for identifying potential areas of cooperation under the aegis of SAARC.

South Asian Preferential Trade Agreement (SAPTA)

SAARC leaders established a high-level committee on economic cooperation in 1991.

**There was a one day national seminar held at Bangladesh Institute of International Strategic Studies, Dhaka on 07 February 2002. The first Secretary General of SAARC and former foreign secretary of the Government of Bangladesh, Mr Abul Ahsan was the keynote speaker. The Foreign Minister of Bangladesh, Mr M Morshed Khan, was the chief guest. I have drawn heavily from the presentations and discussion held in that seminar while drafting this section on SAARC. Paragraphs in full have also been quoted from the official declaration of the Eleventh SAARC Summit held from 04 to 06 January 2002.*

One of the most constructive proposals was the South Asian Preferential Trade Agreement (SAPTA). It sheds considerable light on the divergence between planning and implementation. Each round envisaged a progressive notification of preferential tariffs. A total of 3,456 items comprised the preferential tariff arrangement when the third round was negotiated in November 1998. Reflecting the limited relevance of the lists drawn up by the member states, the intra-SAARC exports had moved from 3.16 per cent in 1990 to 4.25 per cent in 1996. In 1996 Pakistan's imports from SAARC countries was 2.63 per cent of its total imports and those of India a negligible 0.50 per cent of its total imports.

The first round of negotiations under SAPTA could not make much headway in promoting regional trade in South Asia as most items that were agreed under this agreement for tariff and other concessions did not have much relevance to the actual or potential comparative advantages of its member countries, particularly the least developed ones like Bangladesh. The SAARC visionaries were not daunted by this dismal state of regional trade. A group of eminent persons, appointed by the Ninth SAARC summit in 1997 recommended that SAPTA should come into existence by 2008, a Custom Union by 2015 and a SAARC Economic Union by 2020.

South Asian Growth Quadrangle (SAGQ)

There is no denying the fact that the pace of cooperation among the SAARC member states has been slow. The top political leadership in some of the South Asian countries seem to have realised that one of the effective ways of putting regional cooperation on to a faster track is to force cooperation at a sub-regional level. Some

least developed areas in South Asia – Bangladesh, Bhutan, Nepal and the North Eastern States of India – formed a sub-regional group, South Asian Growth Quadrangle (SAGQ), at the seventh session of the SAARC Council of Ministers Meeting held in New Delhi in December 1996. Even in the face of Pakistan's objection and the lukewarm attitudes of Sri Lanka and the Maldives, the four concerned countries displayed strong determination to make headway with the sub-regional cooperation venture, even outside the framework of SAARC. As a follow-up, the first meeting of Foreign Secretaries of the four countries was held in Kathmandu, where Bangladesh's Concept Paper and Nepal's Approach were considered and deliberated upon. The Foreign Secretaries reaffirmed the commitment of their governments to pursue sub-regional economic cooperation for accelerating economic growth, overcoming infrastructural constraints, and developing and making optimal use of complementarities.

The main focus of the growth quadrangle has been to create an enabling environment for rapid economic development. The basic objective of the sub-regional cooperation is to accelerate the pace of collaboration and growth. Such cooperation is indeed an innovative and unique solution to some of the problems of regional cooperation with the benefits of better manageability and ability to implement projects within an area of closer geographical proximity. In the sub-regional economic zone called the SAGQ, there are critical problems to overcome but the potential benefits are certainly beyond doubt. Economic complementarities, in the strictest sense, between partners may be largely offset by the expected gains to be realised from exploitation of specific resources common to

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the concerned four. If cooperation on specific projects in the identified areas is carefully undertaken within the wider ambit of the SAARC substructure, without affecting the interests of the other three SAARC member states as well as the regional organisation itself, the outlook for the future of SAGQ may be good indeed. The sub-regions of eastern South Asia, which includes Bangladesh, the two land-locked Himalayan kingdoms of Bhutan and Nepal, and the North-Eastern states of India (Assam, Meghalaya, Arunachal Pradesh, Nagaland, Manipur, Mizoram and Tripura), is one of the most backward areas in the region. There is a huge concentration of the world's poor here. In this area the economy is predominantly agrarian, savings rate and investment flows are low, population growth rate is high, infrastructure is dismally inadequate, natural disasters are frequent, institutional capabilities to promote sustained socio-economic development are limited, and human resources development is pitifully scanty. Moreover, prudent and optimal utilisation through regional mechanisms, including growth triangles, which provides for collaboration on specific projects, can usher in a new era of sustained economic growth, peace and prosperity for the people of this region. While the enormous common water resources in eastern South Asia could be utilised for power generation, flood control and irrigation purposes in the sub-region. The participant countries also seem to have varying degrees of comparative advantages in certain fields. Some of these sectors are timber of logs, limestone, natural gas, fertilizer, agro-based industry, agricultural research and tourism.

Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation (BIMSTEC)

With a view to initiate inter-regional

co-operation, a new regional economic grouping, comprising the five countries on the rim of the Bay of Bengal was launched in Bangkok on 06 June 1997 under the name of BIMSTEC. According to the 1998 World Bank Report, in the developing countries, about 1120 million people earn less than one dollar a day. Of these about 560 million people are in South Asia. The number will increase in 2008 to about 1242 million people, and income will be less than one dollar per day. It is obviously a disappointing picture in South Asia. The first BIMSTEC ministerial meet was held in Dhaka in December 1998. Earlier at the Dhaka meeting, working groups were formed to prepare work plans focussing on certain primary areas : Bangladesh–trade and investment, India–technology, Thailand–transport and communication, Myanmar–energy, Sri Lanka–tourism and fisheries. The groupings originally comprised four littoral states–Bangladesh, India, Sri Lanka and Thailand–and was called BISTEC. Later, at a ministerial meeting in Bangladesh, the four founding members agreed to admit Myanmar; BISTEC was renamed BIMSTEC.

Some progress has already been made in this regard as the construction of the Jamuna Multipurpose Bridge has filled the last gap in the road-cum-rail link between West and East Asia with all the major rivers on the route bridged. The stage is now set for Bangladesh to play an important role in linking up all the countries of the region through a network of roads and railways. It is important to note that Bangladesh sits astride the only path on which the Trans-Asian road and rail network can be built. All other possible layouts are either too far north to be visible or blocked by impregnable mountains. The road to South East Asia from West Asia must pass through the plains of Bangladesh to be viable. The proposed road, which must pass

through Bangladesh, will be able to link Eastern India, Central India, Nepal, Bhutan, Myanmar and West and South East China through Bangladesh. The new network has the potential to give a boost to the economy of the region which is probably the most economically backward area of Asia. Bangladesh, Bhutan, Eastern Indian States, Myanmar, Nepal and probably the Western and South Western China, although are in close geographical proximity of each other, have little trade among themselves. The Trans-Asian communication network should facilitate the economies of the region and encourage free movement of cargo among the participating countries.

There is an apprehension among many in the smaller countries neighbouring India, that giving free access through their territories will be detrimental to their interest. This probably is unfounded, as this network should not be limited to free access to Indian goods only through other countries, but, instead, be for free movement of all legal goods of all the participating countries. The European system could be a model for South Asian system. The proposed Trans Asian Highway holds the promise of economic development of the most neglected region of Asia. All that is needed is a pragmatic policy that will allow the participating countries to derive maximum economic benefit from it.

Another New Growth Quadrangle – BCIM

Delegates of Bangladesh, China, India, and Myanmar (BCIM) met in the Yunnan province of China in 1999 for the first time, followed by a similar meeting in New Delhi in the year 2000 with a view to improve regional co-operation in some specific sectors. The year 2001 was blank; the third meeting in the series was held in Dhaka on 06 and 07 February 2002. This cooperation initiative has

been mooted by the civil society (Track-II), with the Centre for Policy Dialogue in Dhaka being the host this year. Nonetheless, Bangladesh's Foreign Minister, Commerce Minister and Communication Minister addressed the Dhaka meeting. A nine point Dhaka statement was adopted on the concluding day of the two day conference. Its salient features are :

- (a) The vast natural resources of the region should be utilised for collective benefits.
- (b) It further emphasised improved transport connectivity for efficient movement of goods and people to promote tourism and better understanding among people.
- (c) The cooperating institutions and organisations endeavour to generate broad-based support for the BCIM idea.
- (d) In continuation of the Track II initiative, the forum called upon business leaders in the region to establish a focal point to identify constraints and opportunities of trade and investments and formulate action programmes before the end of 2002. The forum has suggested that they should list specific trade and investment facilitation measures, which may then be presented to their respective governments for necessary action.
- (e) It urged various chambers of commerce in the region to hold and participate in exhibitions, which could be a practical means of creating awareness about trade and investment opportunities.
- (f) It favoured periodic meetings to provide opportunities for dialogues and exploration of new opportunities and

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modalities to strengthen regional cooperation. The meetings will be held in rotation.

(g) The forum advocated research studies to identify specific areas for joint ventures conducive to cooperation.

(h) The Track II institutions will require appropriate funding for the necessary studies and surveys, as well as continuation of the current series of dialogues.

India - Bangladesh Trade

The trade deficit between Bangladesh and India is about 100 million dollars. This does not take into account the aspect of smuggling. Based on available sources, it is roughly estimated that goods worth about 160,000 million dollars enter Bangladesh from India officially or unofficially. The deficit is either to be paid in dollars or, as many people do, by *hundi*. Some in India maintain that most Bangladeshis staying illegally in India send foreign currency to Bangladesh. Some in Bangladesh state that this foreign currency never reaches Bangladesh because they are adjusted for payment of smuggled goods. It is impossible to ascertain the extent of truth.

There are certain items which have, of late, become matters of discussion in the media. Such matters create misunderstanding and ill feelings unless resolved. For example, a report in "*Jugantor*" one of the leading dailies in Bangla language which is published from Dhaka had a headline in its 10 February 2002 issue which if translated to English will mean, "Unless official / unofficial entry of yarn from India is stopped textile sector in Bangladesh will face closure". The summary of the report in *Jugantor* read thus :

Part of the yarn imported from India is of low quality and amount paid for the entire yarn is approximately three hundred million dollars. This puts quite a pressure on the foreign exchange reserve of the country. Much of the yarn produced locally is remaining unsold. If the textile sector is to be sustained then either import of yarn has to be stopped from India or a countervailing custom duty has to be imposed. Smuggling of yarn has to be stopped by any means and the 25 % cash incentive, must be made available readily. Otherwise, ninety thousand million taka (or about one thousand and six hundred thousand dollars) investment in the textile sector will face dire threat. The entire demand of yarn in Bangladesh can be met by local production. Yet, yarn worth one hundred and fifty million dollars are officially imported every year and another approximately hundred and fifty million dollars worth come unofficially, that is smuggling. Although there is a provision for 25 % cash incentive to the garments manufacturer or exporters who use local yarn, yet since last year the cash incentive is not being paid. As a result, Bangladeshi garments manufacturers or exporters are being induced to use imported yarn. In addition to this, there is a scope to avoid custom duty by misusing the facility of bonded warehouses. Also, giving false statement, greater quantity of yarn are released from the warehouses than the equivalent L C price.

Realising the situation, government has notified necessity of 100 % margin for opening L C other than in case of back to back L C and has stopped import of any yarn through land ports. Situation has not, however, improved. Yarn is entering Bangladesh on account of back to back L C and through smuggling routes. As an example, between 8 and 30 October 2001 in these 23 days, 2.6 million kg of yarn entered Bangladesh through Benapole land

port (opposite to Petropole in West Bengal). Those yarn were of low quality. Since there is no custom duty to be paid for yarn imported under back to back L C, businessmen take advantage and sell these yarn in the market at a lower price, of course illegally. In addition, according to Bangladesh Textile Mills Association (BTMA), Indian exporters export yarn to Bangladesh at a price 20 to 25 % less than the price of Bangladeshi yarn.

If import of yarn is not controlled and if cash incentive is not given, then local yarn will not be sold. As a result, local yarn producing mills or spinning mills will become sick industries. No further investment will come into this sector, there will be no further backward linkage industry to meet challenge of new situation effective from the year 2005. Consequently, the garments industries of Bangladesh will, most likely, collapse.

The above description answers, albeit indicatively, what we are worried of. Specially in 1999, political / government leaders and business leaders of North East states of India had urged the government of Bangladesh to facilitate opening up of border trade with Bangladesh with a view to bringing about an 'Economic Revolution' in the otherwise insurgency-ravaged and underdeveloped North Eastern frontier region of India. They had also urged the Central Government of India to start immediate diplomatic dialogue with the government of Bangladesh for opening up of all border points for trading. They had identified 20 such potential border points. Over the last two years there has been a gradual change in the situation.

Conclusion

Rivalry or competition has to be accepted as natural among countries. But enmity and commitment to damage each other cannot be accepted as natural. In South Asia we have to decide which path should we follow. The natural size of the countries and their economies makes it unnatural for the smaller South Asian countries to have inimical or competitive relationship with the largest (India) and the larger (Pakistan) South Asian countries. India and Pakistan can appreciate this condition very well. Therefore, India or Pakistan or both have the option of taking benefit of the situation only to their advantage or to take benefit of the situation to mutual benefit. Economies of South Asian countries should be complementary to each other as opposed to being competitive. The initiative should come from the largest country (India). India can seriously come forward for setting up joint venture industries in South Asian countries. India can give Bangladesh and Nepal the facility of transit. Bangladesh can provide North-East India the facility of Chittagong Port. Even agricultural products can be allotted to more prospective or suitable countries. Serious effort at political and security level to control smuggling needs to be made. With everything happening at least to some degree, as hoped, there is bound to be more interaction between the people and countries at various levels. It is bound to reduce dependency of one country on the other, so that they are forced not to be adversaries. This will be the most important pillar of security and economic co-operation.

THIRD SESSION : SECOND PAPER

MR SANJAYA BARU

We are yet to put together as to what are the prospects for economic cooperation in the Southern Asian region. There are many issues, internal in nature as well as external, that complicate the extent to which economic cooperation can be used as an instrument of confidence building in security of the region. The very fact that in South Asia many countries pursued for a long time inward oriented strategies of industrial development is contrary to what was done in South East Asia. We woke up late in becoming countries with open economies. It is this transition that is part of the problem of adjustment. There is a flurry of complaints from Indian businessmen about the infiltration of Chinese and Sri Lankan goods in Kerala for instance. It resulted in agitations among tea planters who were worried about the flood of good quality but cheap tea. This wiped out the income of the poor villagers. There would be many such cases of impact of transition from an inward-oriented economy to an outward integrated one – regionally and globally.

There is enormous pressure from the USA to liberalise our steel imports because of a crisis in the US steel industries. Underlying these problems of one sector facing competition from neighbouring countries, there is a larger issue of the political attitude we are willing to adopt to each other in the coming years. This region has been slow in accepting the enormous positive externalities of being more open economically. India has been going through a major internal ideological debate over the last ten years as indeed has happened in China when the Chinese were moving from

an inward looking Maoist era to a more outward looking Deng era. This is a debate each country is facing as to how to integrate with the world economy. In my opinion, regional economic cooperation is an important stepping stone to greater integration with the world economy. Inward oriented policy or attitude is no more possible. Enhanced cooperation in trade between countries is required, but for this, one has to find out if regional cooperation could be a stepping stone to globalisation. Even if this is not worked out, globalisation and integration with the outside world is inevitable. But India may not be able to exploit the opportunities provided, if the matter is not thought through. Half of our total trade is with the Western countries – 25 per cent being with the USA, and 23 per cent with the European Union. If the total trade between India, China and Hong Kong is taken, then a combine of China and Hong Kong emerge as the second largest trade partner for India. The share of Hong Kong-China combine is eight per cent. European Union as a whole accounts for 23 per cent, but no single European country has more than five per cent share of our trade. Hence, next to the United States, Hong Kong-China could be India's major trading partner. This is an extremely vital development in the evolution of our relationship with China – we are increasingly trading with each other.

During the visit of Zhu Rongji to India in January 2002, the focus of talks was mainly on trade, developing economic relationship and so on. India is keen to move away from insular economic policies and those countries

that are willing to accept an open economic relationship will trade more with India. Those countries that choose not to trade, like Pakistan, which does not even extend the Most Favoured Nation status to India – an obligation as a member of the World Trade Organisation, will not develop the trade relationship. One has to accept India as a part of the global economy, and regional cooperation is possible to the extent that we understand the links between individual countries and the world economy and perceive it as a way of reaching out to the other countries.

The focus of this Seminar is on Southern Asia. And Southern Asia has been very actively engaged in trade within the region. If one were to see Southern Asia as going all the way from the Persian Gulf region to the ASEAN, clearly energy could be seen to be an extremely important element of trade in the region. Energy flows from the Southern rim of Southern Asia going to the Eastern rim of Southern Asia and the huge income generated through these energy flows – if pipelines were built across this region; if one could integrate the reserves of gas and oil in Central Asia, Persian Gulf, Bangladesh, Myanmar – Southern Asian region would take more active interest in the flow of energy in this region. However, if South Asia does not want to be a part of the infrastructure of energy supply, Southern Asia will continue to be so. Indian Ocean will continue to be the conduit for flow of energy from one part of Asia to another part. Now it depends on whether the region wants to be a part of the global network of this energy flow. Each country will have to look at their national interest and decide. A regional approach may not really help in deciding whether they wish to

take advantage of the resources at their disposal.

Apart from energy flows there are other trade flows. Apart from the SAARC and ASEAN, there is the BIMSTEC which is evolving with enormous scope for people and trade flow between ASEAN and South Asia. There is also a nascent organisation which though for now is not very active could be the basis for economic cooperation in the region. This is the Indian Ocean Rim Association for Regional Cooperation. As the countries of this region become more prosperous, this association would become more active as trade increases across the oceans around these rim countries. There are two separate aspects of economic cooperation in this region – trade and infrastructure. Emphasis has more or less been on trade in popular discussions as that is the route which the ASEAN and the European Union took. Because of the fact that the countries of South Asia have been small traders in terms of their share of world trade, because they were not open economies, even as we wait for these countries to get used to be more actively engaged in world trade, there is another area of cooperation – that is the infrastructure. The more obvious examples of such infrastructure development is the power sector development between India and Bhutan or irrigation project related treaties between India and Bangladesh, and the Indus Water Treaty. Certain other developments are possible like the railways, ports like the Chittagong Port; ports in Sri Lanka could be developed as a competition to ports in Singapore and other larger ports in the region. The prospects of cooperation are certainly more in infrastructure; we tend to worry more about sectoral problems.

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There are numerous complains from the Indian industry about unfair competition – at the moment there is a re-negotiation of the Indo-Nepal Treaty in progress where Indian businessmen are exerting enormous pressure on the Government for better terms. That is part of the adjustment to the global economy when the challenge for South Asia is really to make the transition from being inward oriented to being more outward oriented. Whether this will address the security challenges is a question to be answered. With the existing low level of trade and with small stake in trade, there is not enough interest in cultivating sufficient stakes in the region. The kind of multiplier effect or

the transition from creating economic stakes to creating political stakes is possible only when the economic relationship evolves to a much higher level of engagement as indeed was the case with the European Union. ASEAN is not exactly a good example of economic cooperation resolving political disputes. European Union is, and reference is regularly made to France and Germany where it took enormous increase in economic integration for them to be able to translate economics into political security. That level of engagement is not sufficiently high in this region and the challenge is to increase economic interaction before seeing it as a solution to greater political security.

THIRD SESSION : THIRD PAPER

Mr C K LAL

More than security, it is the very survival of the people of South Asia that is at stake while the nation-states of the region quibble over the finer points of sanctity of their boundaries and continue to waste their scarce resources in a completely counter-productive arms race. The very concept of security needs to be questioned. Security for whom? Against whom? For instance, who could be Nepal's enemy? The USA, Russia, China or India? Inside Nepal, the query is again – security is for whom? The power elite or the toiling masses? And against whom? Is there any option other than peaceful coexistence? Once these questions are raised, answers are expected. But then the answers are most probably not going to be liked by all of the establishments in the region.

There is an urgent need to shift the focus from the quagmire of strategic security to the clear stream of human security. However, the power elite of this region is so enamoured by the alphabetical concoctions of Cold War years that they refuse to see the impending danger. Strategists dissect acronyms of witchcraft like WMD, NMD, TMD and MAD while real issues of poverty, disease, illiteracy, backwardness and resulting desperation take the backseat. Such misplaced priorities have perhaps resulted in the change of nomenclature.

South Asia is a noun that has been accepted by the regional body South Asian Association for Regional Cooperation (SAARC). But the ambitions of the defence establishment of India perhaps extend beyond that, so it prefers the noun Asia with the qualifying adjective of Southern. This

semantic hair-splitting may appear pointless to some, but the message of this meaning needs to be appreciated in order to realise the enormity of the problem that it may raise. South Asia is a simple geographical expression that exists in space; like North America or West Asia, it is simply a place. However, the expression Southern Asia assumes certain reference points and coordinates. It is not just a geographical term, but also an expression of geo-political strategy. Perhaps it defines an area that India assumes to be its sphere of influence. The term Southern Asia also sounds hegemonic. Unlike the cultural unity inherent in the term South Asia, Southern Asia smacks of patronisation and invites contest. So the word choice has become something like this: those who talk of nuclear-tipped missiles prefer the term Southern Asia, while the rest obsessed with the 'arms race' prefer to use the term – South Asia. For the strategic planners of Southern Asia, security environment is a matter of concern while the thinkers and doers of South Asia are more worried about the very survival of the people of this region.

One of the most populous regions of the world, where a large proportion of poor live, the survival of the living environment must be ensured before anything else. No missile defence cover can ever protect the population in case of an environmental disaster – natural or man-made. Anthropological researches in recent years have shown that one of the reasons for the fall of the great Inca civilisation in the Americas was the disease that its society could not fight. The danger for the survival of South Asia is not the Chinese, Russian or

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American missiles aimed at us, it is our poverty and lack of will to face it. Here is the common enemy of the region. There is an urgent need to identify our real enemies. Due and timely attention can surely mitigate the dangers of an environmental catastrophe.

Environment

Compared to the complexity of scientific definitions of environment, the discussion of its components according to Hindu scriptures is simplicity itself. It says that life is composed of five elements, and those are the very elements that form the universe. By protecting life, we protect environment, and vice-versa. According to the Hindu belief, there is no contradiction between living beings and the environment, and human beings are the key-species of our ecosystem. We must survive to ensure the survival of our habitat.

The earth's land area is under tremendous pressure, what with the movement of population across artificially drawn lines severally controlled. Access to food has not improved much despite a multi-fold increase in their availability due to an increase in productivity. The common grazing grounds for domestic animals, wetlands for fish, and free forests for games are depleted enough to put the survival of the dispossessed at risk. Can hydrogen bombs protect indigenous population from the attacks of predatory multi-national corporations? As things stand, there is no need for an enemy to adopt the 'scorched earth' strategy. The respective governments of the South Asian countries are impoverishing their own natural habitat.

Water, the other component of life, is no less at risk. Per-capita availability of fresh-water is decreasing in the region. Some resource strategists predict that the world's

future wars will be fought for the control of fresh water. However, the cycle of fresh-water in South Asia is so intertwined that no country in the region can take independent care of the system. The Thar, the Himalayas, the Monsoon and the Bay of Bengal (and even the Arabian Sea) are inter-related in ways that defy the political boundaries on ground. The ravages of nature's fury in the form of floods, famine and cyclone can only be fought with planning and preparedness undertaken on a regional scale.

Air, the third life-forming component, is being fouled up by the short-sighted city-planners in the region who aspire for the two-car family standard in the crowded cities of South Asia. In addition, nuclear India and Pakistan are holding the air of the region hostage. Either of them can trigger a chain-reaction of apocalypse in the region by contaminating the snowcaps of Himalayas that sustain life in South Asia. The very existence of nuclear arsenal in the region spells danger for the people of this region.

Fire, say the Hindu scriptures, is the fourth element of life. Perhaps its practical meaning is energy – manifestations of the sun. In addition to the dwindling reserve of fossil fuel, access of the poor to the forest is an important area of concern. In Nepal, fuel-wood continues to be the primary source of energy for over 90 per cent of its population. The money that goes to buy arms would probably be better spent developing renewable sources of energy, but for that to happen, the priority must shift from the concerns of the elite to the worries of the poor.

Sky is said to be the fifth life-forming element. It is either the 'thing' that is there when nothing else is there. Perhaps it alludes to the sense perception? Religious minds

may explain it differently, but the sky for the poor to survive is the freedom to choose the way they want to live. Traditional concept of security, centred on nation-states and their defence establishments, denies the civilisational unity of the people of South Asia. The security mindset enslaves rather than liberating people from the fear of attacks. There is an ironic sense of proportionality in that greater the strength of security apparatus in a country, higher the risk of total annihilation of its population. There is only one way to correct this anomaly – less competition coupled with more cooperation leading to recognition of coexistence or no-existence.

New Language

It is said that fundamental problems remain analogous; it is the language to express them that keeps metamorphosing from generation to generation. Unfortunately, almost all South Asians are ideological children of Macaulay who had contemplated the rise of 'brown sahibs' to perpetuate the British Empire in the landmass that was then called India. So the problems of the region are framed in the terminology of the imperial power of the West.

Security continues to be based on possession of an overwhelming military might. Without questioning the importance of security forces *per se*, it needs to be said that this approach is a bit deficient, if not fundamentally flawed. The primary concern of the empire was *control*, while the emphasis now has to be given to *welfare*; 'preparedness' of armed forces have to be relegated to the background and the 'readiness' of the population brought to centre-stage. In operational terms, the state of readiness implies that investment in the education of women and children has to be

increased multi-fold even if that results in lesser allocation of nations' resources for inter-continental ballistic missiles. Rights of the socially under-privileged are more important than the privileges of the armed forces. There has to be a complete re-orientation: institutions of conflict resolution should be given priority over the weapons of conflict between nation-states.

In economic terms, market, trade and infrastructure do not seem to touch the absolute poor except in ways that pauperise her further. For the majority of this region, it is redistributive justice that is an immediate necessity.

Science and technology are tools of control for the power elite in South Asia. Apart from the area of basic health, advancement in science and technology has failed to benefit the poor. Esoteric obsessions like "estimating the temperature of hell" or "manufacturing a briefcase hydrogen bomb" are sinister not just because they spell doom in the longer term. The near term implications are no less serious. They imply scarce material and human resources, which get diverted to fields that could have been better used for the benefit of the last, the lost, and the least from among us.

The primary purpose of every institution is conflict management and resolution. Starting from family, clan or tribe, all institutions have been designed by humanity to create solidarity. There is an urgent need to extend this logic further and create regional solidarity.

The Role of India

Over-sensitive nation-states of South Asia may object to the geo-political centrality of India in the region, but there is no denying the cultural and civilisational pre-eminence of India. It is for this very reason that India

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needs to reorient itself more as a regional *leader* than regional *power*.

The hegemony of the United States of America rests on a preponderance of arms, deterrence with equals, and domination of the weak. This is a poor role model for the voluntary emergence of an Associated South Asia (ASA) in future. The American superiority is built on unthinking wastage of natural resources, something that ASA cannot afford to emulate with its low resource per capita due to a very large population. The South Asian response has to be more innovative. The role of India in this is radically different from the one played by the USA in the West.

India needs to shift its resources to developing tools of mass sustenance. Since such a task has to begin from a scratch, substantial investment in blue-sky researches may be necessary. No other nation-state of South Asia can take up this challenge other than India. South Asia, and by implication India, has to shoulder the primary responsibility in concerns of human survival, such as renewable sources of energy, high yield crops, more effective vaccines to fight communicable diseases, faster ways of spreading literacy, and cheaper toys for children. The other area where India could take a lead is in establishing, reviving and activating regional institutions of conflict resolution so that criminal waste of resources can be reduced. South Asia is one of the biggest buyers in the global arms market; it is also a region that habitually ends up in the alms market. The only way to end this anomaly is to invest in confidence building measures that may some day lead to creation of solidarity and trust.

India needs to transform its image from being a feared 'Big Brother' to a benevolent benefactor through institution of proactive measures for creating a South Asian community. This is not just altruistic. It is the practical way of building a safe and secure neighbourhood.

The Road Ahead

Unfortunately, there is no indication that the establishment in India feels the need to reorient itself on these lines. Other countries of the region take the cue from the biggest nation-state in the region and waste their scarce resources even more foolishly. South Asia is thus trying to catch up with the West without pausing to think over the futility of the exercise.

To borrow an analogy from the environmentalists, South Asia today is like a car cruising at a speed higher than its headlights can see. We know it is headed for disaster. The answers that we should search for are: who is in command of the car? Who is driving it? Where is it going? How is the road ahead? The realisation that all of us in this region are like passengers in that ill-fated car should make us rethink, but we continue to repeat past mistakes on an even grander scale.

Unfortunately, the region seems to be entirely bereft of the likes of a Buddha or a Gandhi. Which means that none of us can afford to unquestioningly follow the leaders of South Asia. Each one of us must rethink our options to reach the conclusion that regional cooperation is a compulsion for our common survival.

GENERAL DISCUSSIONS

Mr R S Parekh

For quite some time I have been arguing for the establishment of a new organisation of South Asian and South East Asian Nations (SASEAN). The European Union has twelve active members and would like to increase it further. NAFTA has three members but would like to increase its membership and influence to the Caribbean countries and maybe even further to the Latin American countries to form one big union of nations. The members of the OAU would like to form an African Union on the pattern of European Union. One could form a broader organisation with them. The complains of Indian 'hegemony' would then disappear. This vast organisation could then regionally compete with the growing forces of world economy particularly in this phase of globalisation. Globalisation itself has to be 'humanised' as South Asia rests in a poverty bowl with unemployment, diseases, illiteracy and so on. One could perhaps take a leaf from China's development. Today, the poverty graph of China has come down from what it was two decades earlier. ASEAN is composed of countries that are more developed than SAARC members. We need another organisation to revive the spirit as existed during the Bandung Conference and to compete with the world successfully.

The *Times of India* of 20 February 2002 mentions the long term Indo-Bangladesh Pacts. A joint statement has been issued on 19 February 2002, which is in fact a model for all SAARC countries. India and Bangladesh may be ready to move to another level of bilateral engagement with both countries agreeing for long term economic linkages on trade and investment

and infrastructure and communications for mutual benefit.

Major General D Banerjee, AVSM (Retd)

On the issue of sub regional cooperation, what steps should be taken to make both the BIMSTEC and the IORARC more effective? What are the prospects for them in the near future?

Major General Y K Gera (Retd)

Mr Sanjaya Baru has correctly stated that we are heading towards globalisation. There are numerous regional organisations. For regional cooperation objectives need to be clearly spelt out. What is it that we wish to achieve at the national level? After all, the aim of globalisation is to remove the inherent disparities. Therefore, for the region to develop collectively have the objectives been set?

Lieutenant General B S Malik, PVSM, AVSM (Retd)

There is a general apprehension that India survived pangs of recession, the conflictual problems in South East Asia, and such because it is not yet fully integrated in the world economy. How do you see South Asia as a region having the strength to survive despite such minimum economic integration?

Brigadier R Singh

Efforts are made by SAARC members to achieve economic cooperation. Most of these efforts have not been successful. One of the reasons could be that suspicion is rampant among the members of the SAARC

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and self interest has taken precedence over collective interest. What actually is required is :-

- (a) Stability in the region.
- (b) Credibility and mutual trust between members.
- (c) Convergence of self and collective interests.

It is not clear whether this sort of scenario is possible with Pakistan and India being in the same organisation. Would it be a better option to have an organisation without Pakistan as a member in order to ensure that the above requirements are met?

Mr S Baru

My first response is to the question regarding the concept of sub-regional cooperation. The term in fact assumes that there are defined regions within which there are sub regional cooperations.

In my opinion, even the concept of region in Southern Asia has not yet evolved. SAARC remains still in the process of evolution as a regional organisation. Regarding its future prospects, credibility, trust, and survivability depends on whether this so called 'South Asia' is really a viable region for regional cooperation or not. Artificially created definitions do not survive the realities on the ground. The latter has to alter the concept of a region as is happening in Europe. Why is it that SAARC or ASEAN is taken as a region, but any cooperation like BIMSTEC is taken as sub regional? European Union is evolving but nobody regards it as sub regional or extra-regional. In fact the concept of region is being redefined in Europe. In the ultimate it is the

self interest that is driving cooperation in the region. Whether SAARC will succeed or not is a question for the future. ASEAN is also an experiment that has succeeded to a large degree.

In my opinion, the entire region is going through a process of evolution of a regional identity. The seminar is mentioning Southern Asia, which is a completely new argument about the nature of integration that is occurring – whether it has to do with infrastructure, energy, or movement of people and so on.

Now on the query of what defines regional economic cooperation. Three things define it and they are trade, infrastructure and movement of people. In European Union, the movement of people had become an extremely important factor in the last decade or so. Common currency is a product of rapid movement of people across the borders. Therefore, the whole time and cost of changing currency has forced governments to accept the fact that one cannot continue with national currency when there is rapid movement of people across borders.

This sets the tone for cooperation, and then one can define the region on the basis of the linkages. The definition of SAARC is yet unclear. SAARC as is ASEAN is an entity, group of countries that have got together. SAARC could also be defined as India and its neighbours. But then there are many other neighbouring countries that are not part of SAARC. SAARC is not an association of land neighbours either. Sri Lanka is not a land neighbour. If there is one maritime neighbour in SAARC then it is a wonderment that there are no other maritime neighbours in the association. Is it then a grouping of countries

that were part of the British empire? It is not so because Nepal does not fit that category. Hence SAARC is a very vaguely structured concept; an evolving concept. What it does will depend on how each individual country is going to define its self interest. Collective interest is possible only when you define yourself in a single way that enables the utilisation of externalities. If it is in India's interest that Nepal prospers so that the problems in Nepal do not hang over India, then India's self interest will generate cooperation which enables regional cooperation on security. Ultimately it is self interest that defines scope for regional cooperation. In a democracy in particular, the government is answerable to the voter. A democratic government cannot pursue policies that hurt its own people. Given the structure of our economy, it is possible for India to pursue through self interest the regional economic cooperation.

Much depends on how each of us views attitude to the rest of the world. If you look at trade as a relationship with a neighbour and there are political problems with that neighbour, then none of the groups will go anywhere. If trade is perceived as a relationship with the outside world and as a part of it you are also dealing with a neighbour, then it becomes a beneficial relationship. This is exactly what is driving India's relationships with the major trading nations of the world. We are an open trading economy today because we see a benefit to ourselves. The huge increase in trade with China evolved out of self interest of the businessmen on both sides. This rapid evolution in trade between the two countries could shape security in the region. They could probably be strategic partners rather than strategic rivals. This, if it ever happened,

would fundamentally alter the nature of security in this entire region. The interests of the businessmen of one side and the consumers on the other side would determine the scope of this relationship. Hence, whatever the organisation, their evolution will depend on how individual member countries deal with the challenge of being with the outside world. Mindsets have to change. The very fact that the deluge of Chinese goods in the Indian market could not and have not become a political issue is the most telling example of the fact that the change in mindset is already underway. An additive to this is the fact that the Indian consumer is benefiting and favours greater trade with China. These are issues that need to be addressed internally. If addressed properly these would help towards global integration of economy.

The moot question is whether a nation should opt for a more competitive and open economy? If a nation is able to deal with this question, then the larger issue of regional economic cooperation can be tackled. If it lacks the self-confidence to do so, complaints will emanate forever from such a nation and that complain will be against the most visible target. In this region, India being a large country is a natural target. The only option is for the countries of this region to internally address the question as to what is the relationship they want with the outside world. Each country has to address its strengths and weaknesses. If this question is addressed then regional economic cooperation is possible and the security problems of the region get addressed. After all, each country deals with the other on the basis of self interest and self confidence. China is not a member of any regional economic group. One wonders why India

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should be a member of any regional economic group.

Major General D Banerjee, AVSM (Retd)

Is Bilateral Free Trade Agreement a part of the process?

Mr S Baru

If one were to look at the Indo-Sri Lankan bilateral free trade agreement, it has undergone many problems both in Sri Lanka and India. Similar is the case of India-Bangladesh agreement on trade. Ironically, the previous Bangladeshi Government, which wanted the pipeline project, is now posing the opposition to the same project! Once the bilateral agreements fructify, major regional thrust and confidence is built.

**Lieutenant General Satish Nambiar,
PVSM, AVSM, VrC (Retd)**

In the context of the discussions that took place yesterday and today, in the context of the SAARC, it must be noted that most of the bilateral matters are India-centric. Maybe these bilateral exchanges are the answer to the 'ifs' plaguing SAARC as a region.

Dr V L B Mendis

I do not know if bilateral agreements are the answer, but co-operation is absolutely desirable and should be encouraged.

Major General SM Ibrahim (Retd)

In my opinion, the SAARC was organised a little before time; before the bilateral relationships had matured. Bilateral relationships are to be strengthened, which

ultimately will move towards more open relationships.

Mr C K Lal

The moment we realise the sanctity of international boundaries, bilateral relationships cannot be wished away. In bilateralism nations tend to get nationalistic and go in for immediate gains and not long-term gains. For the latter some sort of multilateral institutionalisation is necessary. The question is whether SAARC is performing that function or not? If not, do we need to go in for another organisation, or is it necessary to shift the area of emphasis of the SAARC; or do we need to change its charter?

Brigadier A Sahgal

The whole issue of SAARC has been torpedoed because of the Indo-Pak relations. There is a perception that Pakistan is being used as a leverage for improving the context of other nations in the SAARC.

**Lieutenant General B S Malik, PVSM,
AVSM (Retd)**

SAARC appears to be a child of Commonwealth. Commonwealth countries have bilateral relations and they have been doing very well. It serves a purpose by providing a forum when there is a crisis. People might shake it away. Self interest of nations will force the countries to have bilateral relationships.

Mr S K Bhutani

In my opinion SAARC is being reduced to being a trading organisation. It is more than that. Take for instance the Parliamentarians meet, whereby a group of

Parliamentarians representing each SAARC member country meets at a designated SAARC venue. Journalists had a meeting in Kathmandu at the same time as the Heads of Government met there. The women's group, the human rights group; all meet under the aegis of SAARC. SAARC is thus not just an organisation dealing with trade and economic relations; it is also about introducing understanding among people. May be an agreement is not reached but the fact that Heads of State or Governments meet once in a year and have bilateral talks can remove a lot of misunderstandings as was the case in the meeting between the Prime Ministers of Bangladesh and India at the last SAARC meeting.

There was a point made by Mr Baru about globalisation overtaking regionalisation. On the contrary, there is scope for sub-regional cooperation as in the case of Nepal, Bhutan and North East India. The commonality amongst the three is the common exploitation of the rivers in the area for the benefit of all the three. This cannot be wished away; whether there is a subregional grouping or not, cooperation is required here. In fact Mr C K Lal is justified in stating that Nepal should have a voice in the Farakka matter. There are other areas of cooperation too. Mr Baru mentioned about infrastructure. He mentioned about cooperation in the field of power generation between Bhutan and India that could be extended to Bangladesh if there is a common grid. Bhutan agreed and Nepal did not. India proposed the Mahakali project that is on the drawing board since 1963. Nepal was not responsive. If they had agreed, Western Nepal would not have been mired in poverty as it is today. There is an agreement between Bangladesh and India for the last

five years for transit but has not been implemented. If North East India prospers it will create a market for Bangladesh. Bangladesh in turn must have the political will to allow its transport network to be used for transaction. They fear that India might use this transit to transport arms, troops and other requisites to fight the Chinese. It must be noted that China and India are committed to solving their problems peacefully. In the last 39 years not a single soldier has become a martyr in battle action in that border area. Mental attitudes have to change and this is where the ASEAN becomes relevant. ASEAN has changed the mental attitude.

Mr MV Rappai

SAARC members are members of the WTO also. And this grouping will be beneficial for the region as the WTO will inevitably be imposed on us.

Mr R S Parekh

The political difficulties of SAARC have acted as a kind of barrier. The basic problem seems to be the struggle between communalism and secularism. Secularism could be the panacea for all evils. One thing that is missing in Indo-Pak relations is trust. There are text books in Pakistan that teach hatred against Hindus, and Indians. Some civilising influence from outside is necessary. Military confidence building measures could be another option for improving the situation between the two countries especially when there is a military dictatorship in Pakistan. I would even suggest the establishment of a military diplomatic Service comprising the retired officers of the Indian Armed Forces and also the staff of the NDA, the NDC and others to lead the way. Pakistan Army is the

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source of all problems between the two countries.

Regarding treatment of minorities in SAARC countries, India has a National Minority Commission and also a National Human Rights Commission. In the joint India-Bangladesh communiqué, it is stated that Bangladesh should have its version of the minority commission to guarantee certain rights and privileges of citizens. This should be applicable to all the SAARC countries.

**Lieutenant General B S Malik, PVSM,
AVSM (Retd)**

Water is another factor that connects all these countries as also China. And water should be a binding rather than a dividing factor.

Mr C K Lal

Regarding the question whether problems could be sorted out if Pakistan were to be removed from the SAARC, it must be noted that geostrategic reality and cultural affinity cannot be wished away.

Regarding the comparison between ASEAN and SAARC, the former is an extra regional sponsor but SAARC is not. The impetus for SAARC has to come from within. It is too early to write it off. If it is not there, we will still need something like SAARC. It is debatable whether the region should go in for a new organisation or revitalise it. In my opinion, it is better to do the latter.

SAARC does have political difficulties. Fortunately, the SAARC members are trying to live with it. There is also a lot to learn from the Indian democracy – both good and bad. There are many irritants that must be

removed. We keep talking about them and this has not led us anywhere.

Some confidence building measures will be required whatever be the platform – be it the ASEAN or the SAARC. Any environmental crisis for instance affects all the SAARC and the neighbouring countries. Hence competition is not an option at all.

Major General SM Ibrahim (Retd)

I am pleased to re-emphasise my point of cooperation. Because of geographical positioning, Bangladesh is at the receiving end of God-made and man made things. One of them is water sharing. The 20 miles difference between India, Bangladesh and Nepal is so important to India. India demands or requests transit facilities over Bangladesh from West and East; on the contrary, Nepal demands transit facilities to Bangladesh through India. The former is 20 miles and the latter 450 miles. If somebody could set the pace to see if this could work, it would be a move towards confidence building. Contemporary relations witness a major change. It is not the military but the economic and natural environment that dictate the trend. If India could provide transit facility to Nepal; Bangla people would possibly have absolutely no objection in reciprocating.

Secondly, five decades ago, the political boundaries did not exist as it does now. But the flow of water remains as it is. How could it be stopped because of political differences? The aspirations of the people of North East India chronically are more concentrated with the people of Nepal, Bangladesh, Bhutan, Bihar, West Bengal than with the people in Madhya Pradesh, Gujarat, Punjab and Haryana.

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There are some suggested steps to boost intra regional investment. One of them is mass media campaigning by central chambers of commerce of each country to increase the private sector awareness about the possible joint ventures. This will deal with the current lacuna of investment policies, which was a major impediment to intra regional investment.

The people have to be carried along with the government. In an economic relationship between Bangladesh and India, a feeling has to be instilled in the people of Bangladesh that they are not the losers.

Some months ago, an Editor of a leading English newspaper, *Daily Star*, wrote an article that was published in *Outlook* and reprinted in Dacca. The title of the article was 'India has two neighbours and Bangladesh is not one of them.' Let the relations between the two countries be of a mutually beneficial kind. For a friendly environment regarding security, it is necessary to make some sacrifice

somewhere. This will require convincing in some quarters.

There is an attempt to group China, Myanmar, Bangladesh and India. It has brought together people who are partly interested self interested and partly interested in the nation's well being. The give and take can come when done in collaboration with each other.

Despite the fact that it is a wonderful thing to share, the political environment in Bangladesh is such that one half agrees to sell gas to India and the other half opposes it. It is impossible to create a rapprochement between the two. There could of course be a via media. But here comes the interest of the big powers or even India. India could use the gas of Bangladesh by adding the guzzle in Bangladesh soil and be used by Myanmar, India and so on. This is the most important debate making its rounds in the Bangladesh media, and their political circle. And, on this depends the length of the life of the political government in Bangladesh. Best way to co-operate has to be found.

CHAIRMAN'S REMARKS

DR VLB MENDIS

It has not only been a privilege to me to chair this session but it has also been an educative one. In the course of the three sessions yesterday and today we have explored every conceivable issue that is relevant to us and to our partners. More than that it is the spirit in which all, even controversial subjects were discussed. There has been a display of concern, brotherhood,

reasonableness and moral connotations in whatever was discussed. We have discussed regional organisations, bilateralism, multilateralism, institutional linkages, and various other concepts relevant to the future of our part of the world. This symposium could be a role model for future events of this nature.

CLOSING REMARKS

LIEUTENANT GENERAL SATISH NAMBIAR, PVSM, AVSM, VrC (RETD)
DIRECTOR USI

CLOSING REMARKS

LIEUTENANT GENERAL SATISH NAMBIAR, PVSM, AVSM, Vrc (RETD)

DIRECTOR USI

I would like to thank you all for participating in what has been a very exhilarating, educating and rewarding seminar that we had over the last two days. This was made possible by the participation of the audience and in particular the participation of neighbouring countries. I am grateful to my colleagues who are members of the USI who have taken part in the

discussions. I also acknowledge the initiative taken by the Frederick Ebert Stiftung in jointly hosting this seminar with the United Service Institution of India. We look forward to an enduring relationship with your foundation. We assure the participants who have come from the neighbourhood that it would be a privilege for the USI to keep in touch. Thank you very much.